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ABSTRACT

The types of written information that the largest foundations in the United States voluntarily make available to the public were studied. Of the 208 foundations contacted, 150 were the largest grant-making foundations, 30 were the largest community foundations, and 28 were the largest corporate foundations. The response rate to written and telephone requests was 75 percent. A rating form was used that focused on 22 key items of information in 5 categories: (1) grant-making interests and policies (e.g., statement of program/funding priorities); (2) grant proposal application and evaluation procedures; (3) recent grants data (e.g., names and locations of grantees); (4) governance information (e.g., list of board of directors/trustees); and (5) finances (e.g., simple information about income, expenses, assets, and liabilities). Findings include the following: almost 60 percent of the country's largest foundations do not meet an acceptable standard for providing information to the public, and half of these foundations refuse to provide any information to the public when requested; of the other 40 percent of the 208 foundations studied, most provide an acceptable quality of information, while a few (4 percent) score excellent; the most neglected category is financial information; the next most neglected category is information about recent grants; the type of foundation that most consistently provided essential information is the community foundation. Information is provided by specific foundations, and a sample questionnaire is appended. Federal government requirements for foundation accountability are also presented and accountability issues are discussed. (SW)

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ED215592

Foundations & Public Information: Sunshine or Shadow?

Preliminary Findings from a Study of the Public Information Accountability of the Country's Largest Foundations

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National Committee for Responsive Philanthropy
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FOUNDATIONS & PUBLIC INFORMATION: SUNSHINE OR SHADOW?

Preliminary Findings
From A
Study Of The Public Information Accountability
Of The Country's Largest Foundations

May 1980

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About the National Committee for Responsive Philanthropy

The National Committee for Responsive Philanthropy is a coalition begun in 1976 by a wide range of organizations which were concerned that the enormous potential of philanthropy was not responding to the newer organizations meeting newly-perceived needs. The coalition includes groups advocating for the poor, minorities, women, consumers, the elderly, the handicapped, children and Vietnam veterans, as well as those concerned about the environment, neighborhoods and the accountability of government and business.

The National Committee evolved from the Donee Group, which was an effort to include the perspectives of smaller, less-established, under-funded charities in the Filer Commission's study of philanthropy.

The Committee's two primary, related objectives are:

- To increase philanthropy's accountability to the public and accessibility to all charities, in order to increase philanthropy's responsiveness to changing public needs.

- To increase the amount of philanthropic dollars going to "nontraditional" groups.

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I SUMMARY

This study examines the written information that the country's largest foundations voluntarily make available to the public.

For three primary reasons it focuses on foundations' efforts to inform the public. First, information is essential for the public to evaluate foundation performance, to influence foundation priorities, and to insure against foundation abuses. Second, information is critical to help insure that all grant-seekers have access to foundation funds. And third, the information a foundation provides to the public is a basic measure of its accountability to the public.

A total of 208 foundations are included in the study; the 150 largest grant-making foundations, the 30 largest community foundations and the 28 largest corporate foundations. To gather information from these foundations, the researchers made as many as six written and phone requests. The overall response rate was 75 percent, which is very high for studies on foundations.

The study used a rating form which focused on 22 key items of information in five categories:

(1) Grant making interests and policies
(e.g., statement of program/funding priorities)

(2) Grant proposal application and evaluation procedures

(3) Recent grants data
(e.g., names and locations of grantees)

(4) Governance information
(e.g., list of board of directors/trustees)

(5) Finances
(e.g., simple information about income, expenses, assets and liabilities)

Major Findings

Almost 60% of the country's largest foundations do not meet an "acceptable" standard for providing information to the public, and half of these foundations refuse to provide any information to the public when requested.

Of the other 40% of the 208 foundations studied, most provide an "acceptable" quality of information, while a few (4% of the 208) score "excellent."

The most neglected category is financial information. Half of the corporate foundations and almost half of the private foundations score zero in this area.

The next most neglected category involves information about recent grants made by foundations, the most important information for grant-seekers. Only 35 percent of the foundations attain an "acceptable" or higher score in this area.

The type of foundation which most consistently provides essential information is the community foundation (a median score of 54.5 out of a possible 99), followed by private foundations (49.5) and corporate foundations (30.5). Private foundations dominate the extremes; not only are they the only type of foundation to score "excellent," but a greater proportion of them also score zero.

The Standards Used to Rate Foundations

What do these terms "excellent" and "acceptable" mean? While the detailed criteria used to evaluate foundations' information were developed by the researchers, the criteria used to establish the standards are based on what foundations themselves think is important to report to the public.

To determine the "acceptable" standard, the researchers looked at the information provided by at least 60% of the 145 foundations which sent materials (63 of the total 208 foundations surveyed refused to provide any information. Specifically, there were 12 (of 22) items in the study for which at least 60% of these 145 foundations provided information. Adding up the points possible on each of these 12 items resulted in a score of 54 (out of a possible 99). This became the "acceptable" score. However, a foundation would not be required to provide information on each of these 12 items to get an "acceptable" score; it would simply have to provide enough information on any combination of the 22 items to score 54.

To determine the "excellent" standard, basically the same process was followed using information provided by at least 30% of the same 145 foundations. The "excellent" standard was a score of 75, and adequate information on any combination of the 22 items would permit a foundation to score this.

II. INTRODUCTION

This society's increasing concern with accountability during the past two decades or so has had at least one distinct disadvantage: so much overuse of the word "accountability" has obscured the meaning and diminished the power of that word.

Many people agree that institutions which affect the public should be accountable to the public. However, few people agree about precisely what makes an institution accountable. Probably the reason for this is that accountability involves many things.

One of the words Webster's uses to define accountability is "answerable," which suggests a dimension of accountability about which there is probably the most agreement. To be "answerable," an institution needs to be open with those outside the institution who raise questions about it. To be open an institution needs to make information freely available (particularly about its activities, priorities and decision-making) to people on the outside.

But that is only one part of being open. An institution committed to being open needs to be willing not only to provide information to the public but also to absorb information from the public.

If part of accountability is being "answerable," then another dimension involves being "responsive." A response can involve words or actions. An institutional commitment to being open and accessible to the public implies a commitment to act on the information and perspectives the institution takes in. This doesn't mean the public should control institutions. It does mean that the public should be able to affect institutions.

This gets at why accountability is such a potentially powerful concept, a power that the word "accountability" has lost to some extent.

When an institution begins it is usually very aware of its purpose, and that purpose acts as a motivating force which keeps the institution vital. But then the aging process starts. As a bureaucracy develops, as programs are established, as patterns and people become set, as assumptions become ingrained (about the cause of a problem, about ways of dealing with a problem), as the purpose becomes less clear (perhaps because the need has diminished or changed), the natural force of inertia begins to severely limit an institution's effectiveness.

Being accountable--both internally and externally--is one way of avoiding the dulling effects of inertia.

Probably a major reason for the increased emphasis on accountability the past two decades is because a lot of institutions--universities, unions, corporations, public bureaucracies, charities--were exhibiting symptoms of their age. Most were not responding to new ideas and approaches, to new social needs or to newly-organized groups of people (minorities, women, consumers, etc.).

Another, related reason for the increasing demands for accountability were the increasing size and power of many institutions (particularly corporations and public agencies). Because that power was directly affecting increasing numbers of people, those people began to demand more accountability from these institutions.

Still another reason for the upsurge in concern about accountability was the disclosure of how many institutions were abusing their power. For example, numerous cases involving corporations producing poor products or harming the environment were publicized. For another example, disclosure of several scandals (such as the infamous Pallotine Fathers case) raised questions about how charity dollars were being used.

Much of the demand for accountability focused on the need for more information with which people could monitor and evaluate the performance of institutions. (The Freedom of Information Act, first passed in 1966, is a major expression of this demand.) As James Madison wrote, people "must arm themselves with the power that knowledge gives."

Whatever the reasons for the increasing demand for accountability, there is little disagreement that these demands have created a new social environment in which all institutions, including foundations, must function. As John Nason wrote in the preface to his Council on Foundations-commissioned study of foundation trustees, "times have changed and the values by which we judge institutions today are different from those used earlier in the century."

A. WHY FOUNDATIONS SHOULD BE ACCOUNTABLE

"I'm not telling anybody anything. It's my money, isn't it?"
-J. Howard Pew, former head of the Pew Memorial Trust-

Many foundation officials don't believe that foundations need to be accountable to the public, even to the extent of providing information to the public. John Nason, in Trustees and The Future of Foundations, a Council on Foundations-commissioned study of foundation trustees, explains the main reason why: 'They continue to think of the foundation as the donor's or as 'ours' and resent suggestions for greater accountability, greater accessibility, greater diversity of viewpoints on the board." But, says Nason and numerous other observers, foundations are not the "private affair" of their donors and trustees. For a variety of reasons, foundations have an obligation to be accountable to the public.

The Public Role of Foundations

Perhaps the most basic reason is that foundations are dealing with public needs. As Waldemar Nielson stated, "The public has a direct interest in tax-exempt foundations (because) the fields which foundations support, such as education, religion and health, are themselves of direct interest to the public."[1] Alan Pifer, president of the Carnegie Corporation, expresses essentially the same view: "Foundation funds...offer a case when a technically private asset is of such potential value to the nation that it must, perforce, be regarded as a public asset."[2] The Council on Foundations, in its "Policy on Public Information," states, "Foundations exist to facilitate the application of private resources and private initiatives to the public good, and it is this capacity for public benefit which justifies their tax exemption."[3]

Foundations as Trustees for the Public

Not only do foundations have a general obligation to the public because they are involved in fields that directly affect the public, foundations also have a legal obligation to the public. This stems from the trust agreement which is the legal basis of foundations. All trust agreements require that a trust's administrators be responsible both to the terms of its charter (presumably the intent of the donor) and to its beneficiaries. In the case of a foundation, the beneficiary is the public. Nason believes this is the most compelling reason why foundations have responsibilities to the public: "Foundation trustees are servants of the public because the public, whether in broad or limited aspects, are the beneficiaries."[4]

Private Money or Public Money?

Probably the most controversial argument for the public nature of foundations concerns their considerable tax benefits. A foundation's income is exempt from taxation, its donors receive a tax deduction and/or their estates are exempt from much inheritance tax. Many argue (such as Harvard professor Stanley Surrey) that these tax benefits, because they decrease the amount of money going into the Treasury, are actually a form of government expenditure, one that adds up to a considerable amount of money (in 1979, the charitable deduction cost the Treasury $7.3 billion). Accepting the validity of the tax expenditure argument,

Congress passed a law which now requires the President to prepare an annual tax expenditure budget. If expenditures made through the tax system actually were allocated by the government, they would be subject to the budget process, which would entail public debate about how the money should be spent. Instead, foundation officials decide how all of the more than $2 billion they give away each year is used.

Many foundation people strongly disagree with the tax expenditure argument, saying that it is incorrect to see foundations' untaxed income (and their donors' untaxed charitable contributions) as money that government should control. That is not the point. Benefits for foundations under the tax system inescapably imbue foundation monies with at least a quasi-public aspect. As conservative columnist James J. Kilpatrick said recently: "...some public judgement (is necessary) on the desirability of the diversion of otherwise taxable income." 5

Avoiding Misuse of Foundation Funds

One very important item the public has a right to know is whether foundation money is being used in the public's interest, as is required by law. Congressional studies done during the 60s found that substantial foundation money was instead being used in ways that met the private interests of a foundation's donors or trustees, a problem that to some extent still exists, according to a 1977 study commissioned by the Twentieth Century Fund.[6] According to the Peterson Commission on Foundations and Private Philanthropy, this is a key reason that foundations should be accountable to the public. The commission quoted Justice Brandeis: "Sunlight can be the most powerful disinfectant." The 1977 annual report of the Committee of the Permanent Charity Fund in Boston said essentially the same thing: "Among the most important guarantees in the long run that a charitable trust's funds will be used in the public interest are the independent auditing and the full disclosure of what it is doing through annual reports to the public..."

The Self-Interest of Foundations

These concerns about the possible misuse of foundation funds suggest yet one more reason that foundations should be publicly accountable. In the words of Ford Foundation President Franklin Thomas, "The way you really enjoy your privacy as a foundation, ultimately, is to be accountable for what you do." Forty years ago former Carnegie Corporation President Frederick Keppel explained why: "The public is most likely to become suspicious when it is uninformed..."

Being Open to New Ideas and to Changes in Society

One of the most important reasons for a foundation to be accountable to the public is that doing so will help it make better grants.

Part of this is that the very process of being accountable can be helpful to a foundation. In trying effectively to communicate its purpose to the public, a foundation often will have to rethink its purpose. And as the 1979 annual report of the Twentieth Century Fund states, "A conscientious and thorough reevaluation will...serve to redirect and revitalize foundation programs..." Periodic public accountings, whether by preparing annual reports or holding public meetings, can involve foundations in a process of self-evaluation that

is vital to growth and self-renewal. The discipline required by a careful outlining of what a foundation hopes to achieve can act as a lens which helps the foundation to avoid focusing on objectives that are too grandiose or ideas that may be outdated.

Also, being accountable to the public can help expose the foundation to parts of the public that it had overlooked. According to Bill Bondurant, director of the Babcock Foundation, holding a public meeting allowed the foundation to "hear from voices we wouldn't ordinarily hear from..." He said that it caused the foundation to support at least one relatively new organization--the Brown Lung Association.

Being accountable and accessible to the public is one way foundations can overcome an enormous obstacle they face in trying to make grants that deal effectively with social problems. That obstacle is their almost complete isolation from those problems.

John Nason concluded that foundation trustees are a "self-perpetuating social and economic elite..." He noted that only 0.3% of foundation trustees are minorities. 7 Probably even fewer, if any, are poor. Men trustees outnumber women more than four to one. The effects of this were communicated well by Emory Bundy, a former trustee of the American Home Foundation: "I believe (trustees') intentions are good, but their social horizons are circumscribed by their life experiences."

One way of overcoming this limitation is for foundations to subject themselves to other influences, to become more accessible to the public. To do that, they need to make a radical commitment to accountability. The first step is freely and fully to make information available to the public about what they are doing.

B. PRESENT FEDERAL GOVERNMENT REQUIREMENTS FOR FOUNDATION ACCOUNTABILITY

Foundations are presently required by the Federal Government annually to submit to the Internal Revenue Service certain information which is made available to the public. This requirement was instituted by the Tax Reform Act of 1969, which was watershed legislation for the regulation of foundations. The Act included the following.

Foundations are prohibited from engaging in direct or indirect financial transactions (so-called self-dealing) with donors or other related parties, whether the transactions benefit the foundation or not.

The assets of a foundation may not be invested in risky or speculative ventures that jeopardize its charitable purposes.

The use of foundations to control closely held or family businesses is restricted through a provision limiting the permissible combined stock holdings of a foundation and related parties to 20 percent. Elaborate phase-out provisions are prescribed for existing excess business holdings owned by foundations.

Foundations are required to spend an amount for charitable purposes each year equal to their current income, excluding capital gains. If a foundation's income is less than a prescribed rate of return on its investment assets, it is required to pay out this minimum investment return (initially set by the statute at 6 percent, with a phase-in period for preexisting foundations).

Foundations are prohibited from making expenditures to attempt to influence the outcome of a specific election. Grants for voter registration are permitted only in limited circumstances intended to insure nonpartisanship.

Foundations are forbidden to make any payments to elected or appointed government officials except for reimbursement of domestic travel expenses.

Individuals who receive foundation grants for travel, study, or similar purposes must be selected in accordance with objective and nondiscriminatory procedures approved in advance by the Internal Revenue Service.

Foundations must exercise "expenditure responsibility" over grants to other organizations that are themselves private foundations or do not qualify for tax exemption as charities. Expenditure responsibility requires the foundation to make reasonable efforts and establish adequate procedures to see that the funds are expended by the grantee for the prescribed purpose, to obtain complete financial reports from the grantee, and to submit detailed reports to the IRS.

Foundations are prohibited from making expenditures to attempt to influence legislation either by seeking to affect public opinion or by communicating with government officials who may participate in the formulation of legislation. Exceptions are provided for "making available the results of nonpartisan analysis, study, or research"; providing "technical advice or assistance" to a governmental body or committee in response to its written request; expressing opinions on legislation affecting the foundation's own tax or legal status.

Foundations are prohibited from making expenditures for noncharitable purposes.

- Future of Foundations 1973 -

In addition, the Tax Reform Act imposed an annual excise tax of 4% of net investment income on each foundation (since reduced to 2%).

The Tax Reform Act of 1969, in requiring foundations to submit annual reports (990-ARs) for the public's use, also attempted in other ways to increase public disclosure of foundation activities.

A foundation was required to file a duplicate of its 990-AR with an appropriate state official and to advertise in a general circulation newspaper that a copy of the report would be available for public inspection in the foundation's main office for a period of 180 days after filing.

These requirements are still in force today.

C. THE INADEQUACY OF THE PRESENT REQUIREMENTS FOR THE PUBLIC INFORMATION ACCOUNTABILITY OF FOUNDATIONS

What is illustrated by the rather long list of requirements imposed on foundations by the 1969 Tax Reform Act is that foundations have generated considerable public concern about how they use their money.

For the nation's citizens to be assured that the $34 billion foundations control is being invested and spent properly and wisely, not only must the Internal Revenue Service adequately administer the laws, but the public should be better informed about foundation activities. Provision of information is essential.

The increased reporting requirements that came from the Tax Reform Act of 1969 were a step toward greater foundation accountability. As the Council on Foundations itself states, however, the information disclosure requirements of the Tax Reform Act of 1969

> "...are rudimentary. The normal discharge of responsibility by organized grant-making philanthropy should include full and frequent reporting over and above the requirements."
> - Council on Foundations, Policy on Public Information 1973 -

There are a number of problems with the current Federal information disclosure requirements.

First, gaining access to the 990-AR forms can be difficult. Copies may be ordered from the IRS, but that takes time. And it's difficult to determine which reports to order (out of more than 20,000). Often one needs to see the reports to make that determination.

Foundations must advertise the availablity of their 990-ARs, but often they do so in newspapers read only by lawyers. And even if one finds out about a report within the 180 day period during which it must be available in the foundation's office, a visit to that office could involve costly travel. If one is seeking information about several foundations across the country, such office visits would obviously be impossible.

Relying on the state offices which are supposed to receive copies of the annual reports can be just as futile. A survey of state government sources of foundation information done by the Grantsmanship Center News in 1977 found wide disparities in the states' handling of the 990-ARs. The researchers found that, although required to do so by law, not all foundations file their reports with the states. The person in charge of them in Pennsylvania estimated that only 60% of that state's foundations comply with the filing requirement. Many states do not have a coherent filing system for the returns, making their retrieval difficult. Many states do not keep the returns from previous years, despite the importance of being able to look at a foundation's activities over a period of several years. Five states hold the reports confidential and one requires a waiver from a foundation before making its return available to the public.

The best source for the 990 is the Foundation Center, which has become a repository for copies of the returns. The Center's New York and Washington, D.C.

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libraries have copies of all the returns for currently active grant-making foundations. Cooperating collections across the country have copies of reports of foundations within the state of region. But it is not always possible for persons to travel to the Center libraries, particularly to the national collections, and if they do get there they may find that some of the 990s are of little use, or that they may be as much as 14 months out-of-date.

Second, the 990-forms themselves are often incompletely filled out. Of great concern to a potential grant applicant is information about recent grants because it tells him or her what a foundation may be likely to fund in the future. Yet the most common omission is the complete address for grantees, making it impossible, except in the case of the most well-known organizations, to identify them. Also, the grants are often not described, although that is required on the form. Schedules which are to be attached (e.g. those listing all assets) are sometimes missing -- whether that is the result of sloppy copying by IRS or deliberate omission by the foundation is uncertain.

Third, as the prestigious Filer Commission on Private Philanthropy and Public Needs noted, key information about a foundation is not even required on the 990-AR, including the purpose of a foundation, a description of its programs and priorities, and an explanation of criteria used to accept or reject requests for funds. Also, there are no requirements for statements of a foundation's policies concerning investments, conflicts of interest or affirmative action. Nor is there any requirement for specifying grant application and evaluation procedures.

IV THE STUDY

A. WHY THIS STUDY WAS UNDERTAKEN

Because of the inadequacies of 990-ARs, the additional information foundations make available to the public is very important. However, there are indications that most foundations issue little or no additional information.

For example, less than 500 of the country's 21,500 foundations are known to publish annual reports -- about 2%. That is only a slight percentage increase since 1956, despite the urgings of two prestigious national commissions, a 1973 policy statement by the Council on Foundations and the advice of many people who work within or closely observe the foundation field.

While there has been much concern expressed about foundations being open to the public, an extensive study of it had never been undertaken.

NCRP believed such a study was important to determine exactly how well foundations were providing information to the public. The organization felt that undertaking the study would cause many more foundation officials to think about the need for disclosing information to the public and to examine whether their foundations were doing an adequate job of informing the public. By giving foundation officials information about how other foundations were informing the public, the study would also provide some guidance about what should be disclosed. Another reason for doing the study was to make the public aware of which foundations were being open about their activities and which were not.

Underlying all these reasons for conducting this study is an assumption that disclosure is positive. Information allows the public to evaluate how effectively foundations are performing as public trusts. It allows the public to have some influence on foundations. It allows all grant-seekers, including new and relatively unsophisticated grant-seekers, to have at least some access to foundations. It offers an opportunity for foundations to get some response from the public and from grant-seekers to their activities and priorities. And the process of developing informational materials offers foundations opportunities to evaluate what they are doing internally. All of this can have a stimulating effect on foundations, possibly getting them to venture away from patterns of giving that have become static.

Obviously this is expecting a lot from the relatively simple process of disclosing information. But NCRP sees that process as a beginning. As a foundation opens itself up to outside influences, and it realizes that those influences can be more stimulating than threatening, it will begin to discard what Waldemar Nielson calls the "enclave mentality." And that will be a major step towards making more foundations the vital, dynamic institutions that they all have the potential of being.

B. WHAT THIS STUDY IS ABOUT

While recognizing that accountability involves a broad range of actions, NCRP chose to study the provision of written information to the public, because it is an essential and elemental part of foundation accountability. Written materials do not take the place of public meetings to discuss foundation priorities and policies. Nor do they take the place of foundation efforts to increase a foundation's interaction with all types of groups--minority, grassroots, women. But, as discussed in the previous section, written materials are extremely important for many reasons.

This study examines the written information that the country's largest foundations voluntarily make available to the public. Two hundred eight (208) of the largest foundations were included: the 150 largest private grant-making foundations, the 30 largest community foundations and the 28 largest corporate foundations.

These foundations represent 1% of the 21,500 foundations in the country. While 1% is a small proportion of the foundation universe, nevertheless, their combined assets of approximately $19 billion account for 55% of the assets of the entire 21,500, and their grants of $0.9 billion are roughly 45% of the total grants of all foundations.

Thus, the size of the individual foundations studied, the significance of their combined wealth, as well as the leadership roles of some (e.g., the Ford Foundation and Carnegie Corporation), make them logical subjects for this study.

From an initial list provided by the Foundation Center in June 1978 of 172 private foundations with assets over $25 million, one was eliminiated because it was going out of business, several "operating" foundations (i.e., those which make few grants) were excluded, and finally, duplicates on the lists of the largest community and corporate foundations were excluded, leaving a total of 150 private foundations to be studied.

The study included the 30 largest community foundations. Most community foundations are classified by the IRS not as private foundations but as "public charities." Their funds are derived from many donors (often in relatively small amounts) rather than a single source as is usually the case with private foundations. Grant programs almost always are directed toward the immediate locality or region. The governing board is supposed to be broadly representative of the community it serves. The exemption from the special rules affecting private foundations make tax-deductible gifts to community foundations subject to fewer limitations and free them from the 2 percent excise tax and a variety of regulations applicable to private foundations. The largest community foundations were selected by size of total grants rather than by asset size, because some of these foundations receive substantial gift income for immediate distribution, rather than for endowment.

Twenty-eight (28) of the largest corporate foundations were included in this study. A corporate foundation is a private foundation under the tax laws. It derives its funds from a profit-making company or corporation, but is independently constituted. Corporate foundations

are not corporate giving programs, and some private foundations bearing names associated with corporations may have few if any ties with the original source of funds. The largest corporate foundations were selected on the basis of their total grants rather than their asset size. Asset size is especially not an accurate measure of the activity of a company-sponsored foundation, because the amount of money it gives away each year often depends more on corporate contributions received that year, an amount that often varies widely. As more and more corporate foundations are formed and as corporate philanthropy has overtaken foundation philanthropy in total dollars given annually, the corporate foundations are growing in importance.

C. CRITERIA USED IN ASSESSING PUBLISHED MATERIALS

Having chosen to focus the study of foundation accountabiltiy on the informational materials provided by the largest and richest foundations, a set of criteria was devised to objectively evaluate the materials.

First the researchers developed an exhaustive list of criteria, then discarded many items not considered essential, based upon NCRP's experience of three years in talking with grant-seekers and with concerned citizens.

The next step was to consider what the general public needs to know versus what grant-seekers need. These needs are different. The resolution was to strike a balance.

For grant-seekers, information on "kinds of grants possible," "procedures for proposal application and evaluation" and "recent grants" was considered mandatory, while information about foundations' "governance" was considered useful.

For the general public, information on "finances", "governance" and "recent grants" was considered essential. (Obviously there is overlap in the needs of grant-seekers and the general public for information on "governance" and "recent grants".)

The tentative criteria were then weighted, both against each other for relative importance and for how they fit into the overall scheme discussed above so as to balance the information needs of the general public versus those of the grant-seeker.

The possible criteria were also looked at from another perspective. Material describing how foundations accounted for the handling of their money in the past was to be balanced against information about foundations' interests, policies, procedures and governance that could suggest what the foundations might do in the future. Thus, data on "finances" and "recent grants" (data on the past) was to be weighted equally with information on foundations' "grant-making interests and policies", "grant proposal application and evaluation procedures" and "governance" (data affecting the future).

The tentative criteria and their preliminary weights were reconsidered, both against each other and for how they fit into this second scheme to balance needs for information on the past and the future.

The final criteria and their weights were then chosen to produce these results which show a balancing of competing needs.

	Approx. Percent of Total Score
Information for the general public (a)	- 70%
Information for grant-seekers (b)	- 75%
Information on the past (c)	- 50%
Information regarding the future (d)	- 50%

The section following discusses each of the final criteria in the context of five large categories of information below.

A) Information about a foundation's programs and funding policies.

B) An explanation of what a foundation requires of its applicants and how it evaluates their proposals.

C) A description of the grants a foundation has recently made.

D) Information about the people who make the funding decisions and the internal policies that affect a foundation's governance.

E) A report on a foundation's financial situation and fiscal policies.

A. Information about grant-making interests and policies.

This is a critical area of information for grant-seekers. Foundations often complain that they receive large numbers of funding requests every year that do not fall within their program interests. A major reason for this is that grant seekers do not have easy access to adequate information about what those interests are for many foundations.

The most often used source of information is the Foundation Directory. The directory is a valuable tool, but it only covers 3,138 foundations of the estimated 21,500 in existence, and its descriptions of foundations are necessarily brief and general. Those descriptions are usually not adequate to make an informed judgment about whether a foundation is a likely source of support. Even if a foundation says an interest is, say, health, and one runs a recreation program, might not that foundation be interested in recreation as an approach to health?

(a) See Sections C, D & E following.
(b) See Sections A, B, C & D following.
(c) See Sections C & E following.
(d) See Sections A, B & D following.

There are of course other sources of information. But they too have limitations. The Foundation Grants Index and Source Book Profiles include information about far fewer foundations than does the Directory. The Foundation Data Book is essentially only a listing of foundations. Other privately published information sources -- including most state foundation directories -- are equally limited. The 990 Annual Report is the source of much information, but it has the limitations already discussed.

1) What is a foundation's purpose? At first glance it may seem that all foundations share the same purpose -- to give away money. But purposes are usually more specifically set forth in the legal instruments creating foundations. The statement of purpose may be very general, as is that of the Gates Foundation:

> "The purpose of the Gates Foundation is to aid, assist, encourage, help initiate or carry on activities which will promote the health, welfare and broad education of mankind whether by means of research, grants, publications, its own agencies and activities or through cooperation with agencies and institutions already in existence, or by any other means which, from time to time, shall seem appropriate to the Foundation."
>
> - Gates Foundation Annual Report, 1978 -

Or, like the Duke Endowment, its purpose may be very specific:

> "Pursuant to the Trust Indenture, funds available to the Trustees are primarily limited to use for aid and assistance to:
>
> Four educational institutions: Duke University, Davidson College, Furman University and Johnson C. Smith University, for general and specific purposes.
> Nonprofit hospitals in North Carolina and South Carolina for operations and for improving and expanding facilities.
> Nonprofit child care institutions in North Carolina and South Carolina for care of orphans and half orphans.
> Ministers, retiring from pastorates in the two North Carolina Conferences of the United Methodist Church, their widows and orphans for support and maintenance.
> Rural United Methodist churches in North Carolina for building and operations.
>
> - Duke Endowment Annual Report, 1978 -

2) What are a foundation's program interests? Grant-seekers can not make intelligent decisions about whether to submit grant requests to a foundation unless they have a clear understanding of just what the foundation wants to fund. A foundation may wish to remain as flexible as possible in its grant-making, but to say that its concerns are "the fields of medicine, education, social concerns and the arts," as one foundation has done, is to tell nothing meaningful about its funding priorities. What does it mean by "social concerns"? Does it mean programs serving youth? Does it have an interest in neighborhood development? Programs for minority students? All these and many more

are social concerns. A more useful description of program interests is one provided by the Twentieth Century Fund:

> "The Twentieth Century Fund is looking for proposals for public policy research in each of its four areas of interest described below that address the problems created by slow growth, inflation, and limited resources. They should go beyond critiques of current programs and policies to seek imaginative solutions. The objectives of the Fund's research program are to assist private institutions in making the most of limited and even declining resources and to contribute to a strenghening of the political process and public institutions so that they can do more than arbitrate among competing private interests."
>
> - Twentieth Century Fund Annual Report, 1979 -

A foundation that is this specific in stating its priorities will probably get many more relevant proposals and spend much less time sifting through proposals that never had a chance of being funded. And grant-seekers will save much time not preparing unfundable proposals.

3) What limitations does a foundation place on its funding? This is just as important as information about what a foundation does fund, and for the same reason. If religious organizations, or agencies from outside the state, or organizations for which the foundation would have to assume expenditure responsibility are precluded from applying, this should be made clear.

4) Does a foundation have a policy on length of funding? It is important for grant applicants to know if a foundation's policy is to make one-time grants only, if multiple year grants are possible or if continuing support is possible. This is information that grant-seekers need to have in order to make budget and income projections for the future.

5) Does the foundation indicate how much money it estimates will be available in each program area for the next year? Just as it is important to know specifically what program areas are priorities for foundations, and how much money has been funded in each area in the past, it is also important to know the total amount of money that may be committed to each area in the near future. This tells the applicant how important one area is relative to another in the minds of foundation decision-makers, and it sets outside limits on the amount of money any applicant may seek in one program area.

B. Information about grant proposal application and evaluation procedures

There are two types of procedural information which grant-seekers need.

1) What kinds of materials are required of the applicant? Obviously, it is very important for the foundation to inform potential grant-seekers how to apply. Does the foundation use an application form or would it prefer a short letter describing the project? Is it necessary to include with the application proof of tax-exempt status, a board list, a copy of an audit? To whom should the request be directed?

2) What process does the foundation use to evaluate the proposals it receives? A foundation should give applicants some indication of who will make the decision about a grant, the criteria used to judge it, and how long the process will take. Without this information the grant-seeker may feel that his or her application has been stuffed into a bottle and thrown into a vast sea upon which it will bob indefinitely.

The Lilly Endowment's Annual Report for 1978 provides an excellent example. Lilly devoted an entire narrative section of some 10 pages to a detailed explanation of its grant-making process. While not all foundations will want to use their whole annual report for a discussion of their decision-making processes (although they might consider doing so every five years of so), they could easily include one-page summaries.

C. Information on recent grants -- who has received funds in the past?

Researchers of foundations know that perhaps the single most useful and revealing information they uncover about a foundation is the list of the grants it has made in the past. The grants list is an important articulation of a foundation's interests. The description of a foundation's interests may be vague and general, but information in black and white on what was supported during the past year or several years will pinpoint a foundation's real funding priorities.

The grants list must be as complete as possible, including names and full addresses of grantees, so that they may be contacted if one wishes more information about the projects of the grantees. Indeed, foundations are required to provide this information on the 990-AR form which is filed annually with the IRS (though it is often left out). The amounts of the grants should be listed, in order to give a grant-seeker information about the size of a foundation's grants for a particular type of recipient. And most important, the purpose of the grants should be described as fully as possible.

The Carnegie Corporation's Annual Report for 1978 is a model of what can and should be done. In that year Carnegie made 94 grants or appropriations and three "program appropriations" totalling $12,166,856. Yet the foundation devoted a full paragraph of description to each of the grants and included another list with shorter descriptions of each grant, and the complete addresses of grantees. Not only does this kind of information help those seeking grants, it is a very effective way of disseminating information about worthy projects and a way of facilitating contact among organizations.

The Edna McConnell Clark Foundation provides much shorter descriptions of its grants but they are very clear:

> "Commonweal, Bolinas, California - To develop a project for the identification, assessment, placement and follow-up of adolescents who are hyperactive and learning disabled.
>
> Downey Side, Inc., Springfield, Mass. - To place adolescents in adoption.

Family Counseling Center, Clearwater, Fla. - To establish Project CAN (Children with Adoptive Needs), an adoption referral programs based on purchase of service, in Florida and other Southeastern states.

To continue Project CAN described above as part of the Family Builders Network."

-Edna McConnell Clark Foundation Annual Report, 1978 -

Also, a categorical listing of grants by program area with total dollar figures for each category is useful in providing a sense of what program areas the foundation has emphasized and the relative importance of each program area.

D. A Foundation's governance

Information about who makes a foundation's grant decision is also important.

One reason is that, again, this information is helpful to grant-seekers. As every experienced grant seeker will attest, it is extremely important to talk with someone about a proposal. By doing so, one can determine whether it is useful to even write and submit a proposal. One can find out much more about the kinds of programs in which a foundation is interested. And most important, one can get a foundation interested in one's own program. Often the need for the program can be explained far more effectively in person (particularly if one is new at the game of proposal writing and does not have the resources to hire an expert). One can respond to the questions and doubts that a trustee may have. One can impress the person with one's own ability and commitment. (A cliche of the foundation world is that foundations fund people, not projects.)

Indeed, a most important reason that new groups run by minorities, the young, the poor, women or others have gotten so little funding from foundations is that they have so little direct contact with foundation people.

A second reason why it is important to disclose information about governance relates to the fact that foundations are public trusts (for the explanation of why see the section "Why Foundations Should Be Accountable"). Implicit in the notion of "public trust" is the public's right to know who governs that trust.

1) Who are a foundation's trustees? Foundations should list their trustees, with some identifying information such as their affiliations or addresses. Many foundations merely list the names of their trustees, apparently in order to discourage contact by grant-seekers. But the fiduciary responsibilities that foundation trustees have to the public require that they be willing to make themselves known to the public.

The Helena Rubinstein Foundation's Annual Report for 1977-78 includes a brief biography of each of its directors and officers. This is even more necessary in the case of unstaffed foundations, where the trustees alone make the funding decisions.

2) Does a foundation have a professional staff? If a foundation is staffed, those people are the critical contact point for applicants. Writing or calling a person by his or her name is always more effective in stimulating favorable responses than addressing requests "to whom it may concern." The Ford Foundation's Annual Report for 1977 devotes two pages to the largest staff of any foundation.

3) When does the board meet? The number of and approximate dates of a foundation's board meetings are important for two reasons. First, it helps grant-seekers by giving them an additional indication about when applications should be submitted and how long the grant process might take. Second, the number of board meetings is an indication of the intensity of the board's involvement with a foundation (although it is also true that some foundations meeting but once a year can have trustees quite intensively involved with the foundations).

4) How does a foundation handle conflicts of interest? The Tax Reform Act of 1969 set up regulations designed to deter unscrupulous donors from using foundations for their self-interest. But in Conflicts of Interest: Nonprofit Institutions, published by the Twentieth Century Fund, writer Chris Welles warned:

> "The trouble with the 1969 Act is...that it doesn't go far enough. It does not really touch the abuses that result from the still tight interconnections between many foundations, donor families and companies. Not until the still extensive interlocks...are broken for good can the national private foundations rid themselves of still common but avoidable conflicts of interest."

In addition to conflicts of interests involving financial considerations, foundations must guard carefully against those conflicts arising from interlocking boards with their grantees. Foundations should have conflict of interest policies and they should make them known in the materials they distribute to the public.

5) Does a foundation have an affirmative action policy? Affirmative action is being demanded of all the major institutions of American society. But in an article for Foundation News written in 1976, Harold C. Fleming, at that time a trustee of two foundations, found that foundations had for the most part ignored the issue and foundation trustees as a group were still overwhelmingly:

> "...white males, middle-aged or older, mostly from business and professional backgrounds, and also that minorities and women are underrepresented in staff positions."
> -Foundation News, Sept-Oct., 1976-

Women in Foundations/Corporate Philanthropy has done two small studies on women trustees. The first study revealed only one woman among the 29 directors of six private foundations whose assets derive from

the sale of cosmetics.* The second survey found that men trustees outnumber women by better than four to one.

There is no precise information on total minority representation among trustees of all the 21,500 foundations in the U.S. John Nason in Trustees and the Future of Foundations estimates that only 0.3% of all foundation trustees are minorities.

All foundations should have affirmative action policies and they should make that information known to the public.

E. Financial Information

As a result of the allegations of mismanagement and fraud made against foundations in the past, and the continued suspicion with which they are viewed by many people because of their origins in great wealth, foundations should be extemely sensitive to the need to be completely open in their financial reporting.

1) Does a foundation provide basic information about its income, expenditures, assets and liabilities? Standard financial reporting practices call for organizations to provide these basic data so that interested parties may quickly gauge their financial situation. Foundations usually require their grant applicants to provide this information and they themselves must include it on their 990-AR forms. It should also be included in any materials disseminated to the public.

2) Does a foundation provide detailed lists of all its sources of income? According to the 7th Edition of the Foundation Directory, private grant-making foundations control more than $34 billion in assets. This is an enormous sum of money, all of which is dedicated to the public good. The public has a right to information about who donates gifts to a foundation and where that money is invested, so that any possible conflicts of interest are exposed for public scrutiny and so that judgments can be made about whether a foundation is investing its money wisely. (Welles' book found instances where large foundations were getting as low as a 3 percent return on their investments.)

Foundations should list all the sources of their income--stock, time deposits, real property, corporate and large individual gifts or other. The foundation 990-AR forms call for this detailed listing and such information should be included in the materials foundations make available to the public.

3) Does a foundation show total compensation for staff, directors and officers, separately from other administrative costs? The public has a right to know what proportion of total expenditures are attributable to personnel costs, especially since the total compensation figures

*In a follow-up of this survey done in May 1979, Women and Foundations found that the situation had improved somewhat. Five of the six foundations had added women to their boards.

are not available in the 990-ARs.

4) Does a foundation report that it has an investment policy? Foundation investment policies are of concern to the public because they relate to the issues of corporate social responsibility, conflicts of interest, and the soundness and growth of the corpus.

If foundation money is money committed, by law, to the public good, investing that money in ways that are sensitive to the public good (however defined) is just as important as making grants for the public good. Merriman Cuniggham, writing in 1973, warned foundations to be sensitive to the issue of corporate social responsibility and to make complete analyses of the social performance of the companies in which they were invested.[8] The Council on Economic Priorities recently reported that, in the first quarter of 1980, 33 anti-nuclear resolutions had been filed by individuals and groups at corporate annual meetings. Other resolutions have been filed by church groups and universities on the issues of redlining, occupational safety and health, fair hiring practices and South African investment. Clearly there are many issues that a foundation needs to consider when investing its money.

Also, as earlier discussed, it is important for a foundation to address the conflict of interest issue as part of its investment policy.

Finally, it is important that a foundation state how it is investing its money so that its ability to make grants is maximized. This is particularly important now because the 1969 Tax Reform Act mandated that a foundation give away a certain percentage of its income each year, and a low rate of return on investments will, therefore, steadily diminish foundation assets.

5) What is the percentage rate of return on a foundation's investments? Ten years ago the Peterson Commission found that a low rate of return was quite common in the foundation world. It compared foundations to mutual funds, pension funds and other endowment funds and concluded that:

> "In every category foundation investment performance is substantially lower than the balanced funds performance of nearly 15% in 1968."

The Commission defended its criticsm of this low rate of return by noting:

> "Since each percentage point of added total return on foundation investment would yield between $200 and $300 million of additional funds for charity, the costs to society of a lackluster management of these investments could be on the order of hundreds of millions of dollars annually."[9]

6) Does a foundation include the report of an independent auditor? The impartial oversight evidenced by an auditor's report is an absolute requirement for any large institution and, in fact, is routinely requested by foundations of their grant applicants. The report of an auditor should be included with the financial information foundations prepare for the public.

D. STUDY METHODOLOGY

The study examined the materials voluntarily prepared and disseminated by 208 of the largest private, community and corporate foundations. Foundations were asked to respond to a short survey form and send samples of the informational materials they made available to the public. Information contained in the materials was measured against 22 criteria for written accountability, each of which was assigned a numerical score. Scores for individual items were tallied to get a total score for each foundation. These scores were converted into ratings of "excellent," "acceptable," "below minimum" and "totally unacceptable" based on what foundations themselves think it is important to report to the public.

Survey Questionnaire

A survey questionnaire was initially devised which asked foundations to respond to a series of questions about their public information accountability (how they informed the public about their activities), and their accessibility (how they encouraged grant requests from people not familiar with the foundation). This draft questionnaire was circulated to more than 20 staff people from small and large foundations asking for their comments. Those comments helped NCRP to realize that, while the information sought in the questionnaire was essential to our task, the questionnaire was liable to yield, whether intentional or not, very subjective answers that would be difficult to verify.

Therefore, it was decided to break the survey into two parts, public information accountability and accessibility, and to include grantees in the study of accessibility. The latter study will be released at a later date. For the public information accountability study a decision was made to examine the printed materials that foundations prepare and voluntarily make available to the public. A short survey form was designed which asked foundations to indicate which of several types of informational materials they have available for public dissemination and to send copies of the materials when they returned the survey form. (See Appendix B.)

The first mailing of the survey form (and a cover letter) was made in September 1978. That was followed up by a postcard reminder two weeks later. Four weeks after the original mailing a duplicate of the first mailing was sent to those foundations which had not responded. Finally, telephone calls were made to the foundations that had not responded to any of the mailings. Fourteen foundations had unlisted phone numbers; they were sent a final letter. These efforts paid off in an unusually high response rate: 96% for community foundations, 80% for corporate foundations and 71% for private foundations.

Since the survey stretched over from 1978 through 1979, the most recent published information on many foundations was obtained at the 1979 Council on Foundations annual conference, and letters were sent to the remaining foundations on our list asking for copies of their latest materials. Significantly, these letters did not state that we were collecting the materials for a survey (some foundations are reluctant to respond to surveys). When the rating process was about to begin in January 1980, the Foundation Directory (7th Edition) was checked to see if any of the foundations that had not answered any of the many mail and telephone requests for information (that is, those foundations for

which we had obtained no information thus far) did indeed publish annual reports. If the Directory indicated that they did, another telephone call was made to ask for a copy.

Scoring of Foundation Material Made Available to the Public

Having already developed the detailed list of criteria, a form was devised to use the criteria in scoring each foundation. Everything sent, from annual reports to copies of typewritten application guidelines to copies of 990-ARs, was examined.

The rating form (see Appendix C) consists of a total of 22 items divided into five sections. As earlier indicated, each item was given a score based on its importance in relation to all other items, including those within its section and those in other sections. For example, the first item in Section A was a question about whether a foundation included a statement of purpose in its materials. An affirmative answer earned a score of 3. The second item, concerning whether the materials included a statement of the foundation's program interests, was judged to be of greater importance than item 1 and was therefore given a total possible score of 6. To distinguish between a simple description of program interests and one that went into greater detail, the first was scored with a 3 and the second with a 6. (See Appendix C for further details)

After all the materials had been gathered from each foundation, they were read and a rating form filled out. In order to make this process as objective as possible, two different staff people prepared a rating form for each foundation. When all materials had been reviewed, the two forms for each foundation were compared to make sure there were no discrepancies. When differences arose, the materials were re-examined and an attempt made to reconcile the differences. If the two staff people could not reach agreement, a third staff member was called in to arbitrate. There were few instances where it was difficult to resolve a difference. If a difference about a particular item persisted, the foundation always got the benefit of the doubt.

Once all the items had been rated for each foundation, each person then independently marked down the scores. The two sets of forms were then compared to make sure that the correct scores had been assigned for each particular item. Section scores of total scores were then calculated both manually and by computer. Results were compared and differences corrected by referring back to the individual rating forms, and, in a few cases, back to the original materials.

The Standards Used to Measure the Quality of Foundation Reporting to the Public

The detailed criteria used to score foundations' public information accountability, and the justification of those criteria, were discussed earlier. However, not all these criteria were used to determine the standards of "acceptable", "excellent", "below minimum" and "totally unacceptable." To construct these standards, the study relied on what foundations themselves

thought important to report to the public.

To determine the "acceptable" standard, the researchers looked at the information provided by at least 60% of the 145 foundations which sent materials (63 of the total 208 foundations surveyed refused to provide any information). Specifically, there were 12 (of 22) items in the study for which at least 60% of these 145 foundations provided information. Adding up the points possible on each of these 12 items resulted in a score of 54 (out of a a possible 99). This became the "acceptable" score. However, a foundation would not be required to provide information on each of these 12 items to get an "acceptable" score; it would simply have to provide enough information on any combination of the 22 items to score 54. (See Appendix A for details.)

To determine the "excellent" standard, the researchers reviewed the information furnished by at least 30% of the same group of 145 foundations mentioned above. Specifically, there were 16 (of the 22) items in the study for which at least 30% of the 145 foundations provided information, including three items for which more detail was provided than was necessary to meet the "acceptable" standard. Adding up the points possible on each of these 16 items and for the extra detail on the three items resulted in a score of 75 (out of a possible 99). To get an "excellent" score, a foundation would simply have to provide enough information on any combination of the 22 items to score 75. (See Appendix A for details.)

"Below minimum" scores were all scores less than 54, the "acceptable" score. "Totally unacceptable" scores were zero.

Thus, in this study foundations essentially have been rated against criteria determined by themselves.

E. RESULTS OF THE STUDY

Overall Quality of Information Provided by the Largest Foundations

Almost 60% of the country's largest foundations do not meet an "acceptable" standard of providing information to the public about their grant-making, governance, and finances. Half of these foundations refuse to provide any information to the public when requested.* Most of the other 41% (of the 208 foundations studied) provide an "acceptable" quality of information, while a few (4% of the 208) score "excellent." (See Table 01.)

Stated another way, for every one of the foundations providing "excellent" information to the public, there are eight of the country's largest foundations which refuse to provide any information, and an almost equal number providing "below minimum" quality of information.

The eight foundations scoring excellent in their public information accountability are the C. S. Mott Foundation, Northwest Area Foundation, Bush Foundation, Dana Foundation, W. K. Kellogg Foundation, Commonwealth Fund, Carnegie Corporation and Rockefeller Brothers Fund.

While only eight foundations surveyed scored "excellent" overall, from 19 to 67 of the 208 foundations surveyed furnished "excellent" information in the five categorical areas of the survey.

More foundations tend to supply "excellent" information that is important to grant-seekers than to the general public, considering that grant-seekers are most interested in materials about grant-making interests and policies, procedures for grant proposal application and evaluation, recent grants and governance (who staff and trustees are; what general policies govern them), while the general public has a primary interest in the latter two categories plus finances.

How Foundations Score: Financial Information

The country's largest foundations do worse in this category than in any other. Only 9% of foundations score "excellent" in providing financial information. (See Table 07.)

However, the situation is even worse than this figure indicates. The median score is only 3 for all foundations surveyed. This is extremely low compared to an "acceptable" score of 9 for this section, and a highest possible score of 24. The median scores of all other sections equate with or are close to the "acceptable" score. (See Table 09.) The low median score is explained by the fact that half of the corporate foundations and almost half of the private foundations score zero in providing basic financial information.

The only information needed to score "acceptable" was an independent auditor's statement and simple data on income, expenses, assets and liabilities

*See Table 02 for complete list.

(or some combination of all six items surveyed producing a score of 9). failure of the country's largest foundations to provide basic financial information is, therefore, disturbing. Only 43% of the foundations supplied an independent auditor's statement, something almost universally required of foundation grantees.

There is only one positive thing to say about foundations' performance in providing basic financial information, other than to commend the 18 foundations (the 9%) which scored "excellent": three-fifths of all foundations do provide simple information about their income, expenses, assets and liabilities.

How Foundations Score: Governance Information

The governance of foundations has to do with who makes the decisions (trustees, staff) and key policies guiding their behavior. This category had the second smallest number of foundations providing "excellent" information (13%), but the second largest number of foundations providing at least "acceptable" information (54%). (See Tables 07 and 08.)

Almost half of the largest corporate foundations (one less than half, to be exact) scored zero in this category.

Very little was needed to score "acceptable": a list of staff and a simple list of the board of directors/trustees (or some combination of all five items surveyed producing the "acceptable" score of 10). Only 54% of the largest foundations provided a list of staff and 41% a list of trustees. Even when eliminating from consideration the 63 foundations which had total scores of zero in the study, almost 80% of the 145 foundations which provided any information at all supplied a list of staff, but less than 60% included a list of trustees.

These figures are surprising. All foundations have boards and, considering the size of the foundations included in the study, all but a few should have staff to list.

How Foundations Score: Recent Grants Data

Fewer foundations score "acceptable" or higher in this category than any other (only 35%). (See Table 08.) Almost 3/4 of this 35% scored "excellent."

An "acceptable" score on recent grants data was possible by providing information on four items: identification of grantees, amounts of all grants, a categorical listing of grants by program area (with totals for each area) and at least a brief description of grants. (An "acceptable" score could also be obtained by providing more detail on some of these items and less on others.) Roughly 60% of all foundations surveyed supplied information on the first two items, while about 50% furnished information on the latter two.

How Foundations Score:
Grant-Making Interests and Policies Information

Almost one-third of the foundations scored "excellent" in providing guidance on their grant-making interests and policies, the highest number scoring "excellent" in all five categories. (See Table 07.) Half of the foundations at least scored at the "acceptable" level.

Supplying three items would have qualified for an "acceptable" score in this category: limitations on funding,* the purpose of the foundation, and a simple statement of program/funding interests. Roughly 60% of all foundations provided information on each of these items.

Three foundations scored a perfect 21 points in this section: Northwest Area Foundation, Sears-Roebuck Foundation and California Community Foundation.

How Foundations Score:
Proposal Application and Evaluation Procedural Information

More foundations (59%) supplied at least "acceptable" information in this category than in any other. (See Table 08.) However, considering that the only information required to score "acceptable" was a listing of procedures for grant application, including nature of submission required, person to contact and application deadlines (if any), it is rather surprising that 41% of the largest foundations do not make this information publicly available.

On the other hand, a solid one-quarter of the foundations scored "excellent". Foundations had to add information on their proposal evaluation procedures to score "excellent". One-quarter did.

When foundations mentioned the length of time for processing grant application, they could earn a perfect score of 9 points in this area. Eighteen percent (18%), or 37 foundations, did. (See Table 10 for names of foundations scoring perfect scores.)

The Overall Differences
Among Private, Community and Corporate Foundations

So far this report has discussed all foundations as a group. But what are the overall differences among the three types of foundations concerning the information they voluntarily make available to the public?**

Private foundations are the worst offenders in refusing to provide information when requested: 35% of the 150 surveyed provided no information about their operations, despite repeated attempts to solicit the foundations by mail and phone.

*Criteria for funding, criteria for grantees (i.e. explicit criteria by which applications will be accepted or rejected).

**To understand the differences among the three types of foundations, see pages 13-14.

Corporate foundations, however, are almost as bad: 29% score zero in this study. Three of 30 community foundations (10%) score zero.

Nevertheless, while private foundations have the greatest proportion of "totally unacceptable" or zero scores in this study, they also are the only type of foundation that achieved "excellent" scores, eight of the 150 studied (5%) having so scored.

Of the three types of foundations, community foundations as a group are more consistently accountable in providing information to the public than are private or corporate foundations. Half of the community foundations scored at least "acceptable" in providing information to the public, compared to 41% of the largest private foundations and 25% of the largest corporate foundations.* This latter figure means that 75% of the corporate foundations scored less than "acceptable" in this study of elementary accountability.

When considering only those foundations which voluntarily provide information to the public (that is, eliminating the 63 foundations which scored zero in this study), private foundations outperform community foundations, with corporate foundations still the worst. Sixty-three percent (63%) of private foundations score "excellent" or "acceptable" scores versus 56% of community foundations and only 35% of corporate foundations. (See Table 04.) This again indicates that private foundations dominate the extremes of scoring in this study.

How the Three Types of Foundations Score: Financial Information

As stated earlier, providing information on finances is the weakest element of foundation accountability, as the median score of 3 for all foundations (versus a possible 24) indicates. (See Table 09.) Very few community or corporate foundations voluntarily tell the public "excellent" detailed information about their finances (only 3-4% do). Private foundations do little better (11%). Regarding provision of at least "acceptable" information on finances, almost half of all three types of foundations meet this standard. However, half of the corporate foundations and almost half of the private foundations score zero in this category.

How the Three Types of Foundations Score: Governance Information

Community foundations have the best record in reporting their governance to the public. Thirty percent (30%) score "excellent" (versus private and corporate foundation records of only 11% and 4% respectively), while 80% of

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*That community foundations as a group are most consistent in their accountability is buttressed by their higher median score (54.5 versus 49.5 for private and 30.5 for corporate foundations) and the bunching of most of their scores. (The middle scoring 50% of the community foundations have scores ranging tightly from 61 to 38.5 compared to 61.5-0 for private foundations and 53-0 for corporate foundations, while the middle scoring 80% of community foundations have scores ranging from 65-24 compared to 68-0 for private foundations and 60-0 for corporate foundations.) (See Table 03.)

community foundations provide at least "acceptable" governance information (versus roughly 50% for the other foundations).

Almost half of corporate foundations (one less, to be exact) score zero regarding governance.

How the Three Types of Foundations Score: Recent Grants Data

Concerning data on recent grant expenditures, substantially more private foundations (33%) than other types of foundations (7-11%) provide "excellent" detailed information. More community foundations, however, provide at least "acceptable" grants data. (See Table 08.)

How the Three Types of Foundations Score: Grant-Making Interests and Policies Information

There is little difference among the foundations in this category, although more community foundations provide at least "acceptable" information than private or corporate foundations. (See Tables 07 and 08.)

How the Three Types of Foundations Score: Proposal Application and Evaluation Procedural Information

Community foundations have a superior record in providing information to grant-seekers about proposal application and evaluation procedures: 40% do an "excellent" job and a total of 80% do "acceptable" or better.

On the other hand, only 7% of corporate foundations do an "excellent" job, while 50% provide at least an "acceptable" quality of information.

Private foundations score in-between.

V. RECOMMENDATIONS

1. Every foundation should issue a report annually to the public and to grant-seekers containing the following information.

   a) The foundation's purpose.

   b) The foundation's programs and funding interests with an estimate of how much money the foundation will have available in each program area for the coming year.

   c) All limitations the foundation applies to its funding, including, if any, its policies on length of funding.

   d) Grant application procedures, including a list of materials to be submitted, deadlines (if any) for applications, and the name of the person to whom funding requests should be directed.

   e) A description of the evaluation process for funding requests and the criteria the foundation applies in deciding to accept or reject them. The time frame for the completion of the process should be noted.

   f) A list of all grants made during the year which includes the name and complete addresses of recipients, the amounts and adequate descriptions of the grants. The grants should be listed by program area, with total grant amounts for each area.

   g) A list of all trustees and the number and approximate dates of their meetings each year. Trustees' addresses or affiliations should be noted so applicants can make contact directly if they think it wise.

   h) A list of all staff.

   i) Statements of the foundation's policies and practices regarding potential conflicts of interest among its trustees, on both financial matters and trustee memberships on applicant organizations' boards.

   j) A statement of how the foundation provides for equal opportunity in its trustee and staff appointments.

   k) Information on assets, liabilities, income and expenditures, including a separate line item for total compensation of staff, directors, officers, trustees, and consultants.

   l) A complete list of all sources of income including gifts received, securities, real property, etc.

   m) A statement of the foundation's investment policy and goals.

   n) A report on the percentage rate of return on investments for the year.

   o) An independent auditor's report.

2. Every foundation with assets of $1 million or more, or which makes grants in excess of $100,000 a year, should be required at least to make available to the public its required annual tax return, and to supply the return, or any portions thereof, at or below reproduction cost, to any person within 60 days after the request for such return is made, if the request is made within one year from the date such return is filed with the IRS.

3. The IRS 990 tax return should be amended to include many of the items listed in Recommendation #1 which are not now required.

4. The Council on Foundations should appoint a committee comprised of representatives from the Council, from private, corporate and community foundations, and from grant recipient agencies (both nontraditional and traditional) to study the issue of public information accountability for foundations and to make recommendations on how to promote an increased flow of important information about foundation activities to the general public and to grant-seekers.

REFERENCE NOTES

1.) Waldemar Nielson, The Big Foundations, A Twentieth Century Fund Study, 1972.

2.) Quoted in John Nason, Trustees and the Future of Foundations, 1977.

3.) Council on Foundations, Policy on Public Information, 1973.

4.) Nason, op cit.

5.) James J. Kilpatrick quoted in Council on Foundations Reporter, June 1978.

6.) Chris Welles, Conflicts of Interest: Nonprofit Institutions, The Twentieth Century Fund, 1977.

7.) Nason, op cit.

8.) Merriman Cumiggham, Private Money and Public Service: The Role of Foundations in American Society, 1972.

9.) Foundations, Private Giving, and Public Policy: Report and Recommendations, Report of the Commission on Foundations and Private Philanthropy, 1970.

Table 01

Study of the Public Information Accountability of the Largest Foundations

FOUNDATIONS BY TYPE AND TOTAL SURVEY SCORES

	Total No. of Found. Studied (1)	Excellent Score (2)	Acceptable Score (3)	Below Minimum Score (4)	Totally Unacceptable Score - 0 (5)
a. Private Foundations	150 (100%)	8 (5%)	54 (36%)	36 (24%)	52 (35%)
b. Community Foundations	30 (100%)	0	15 (50%)	12 (40%)	3 (10%)
c. Corporate Foundations	28 (100%)	0	7 (25%)	13 (46%)	8 (29%)
d. All Foundations Studied	208 (100%)	8 (4%)	76 (37%)	61 (29%)	63 (30%)

Column (2): Survey scores of 75-99; 75 is the sum of the survey item scores that were tallied by at least 30% of the 145 foundations in this survey which voluntarily provide information to the public. (See Appendix A for further explanation.)

Column (3): Scores of 54-74; 54 is the sum of the survey item scores that were tallied by at least 60% of the 145 foundations. (See Appendix A for details.)

Column (4): Scores of 1-53 (although no foundation in this category scored lower than 11).

Column (5): Zero score.

Summary of Table 01

1. A shocking 30% of the largest foundations absolutely refuse to provide information requested by the public, that is, 63 of 208 of the largest foundations in the country. (See column 5, bottom line.)

2. Private foundations are the worst offenders: 35% of their number provided no information about their operations, despite repeated attempts to solicit same by mail and phone. Corporate foundations, however, are almost as bad: 29% score zero in this study. (See column 5.)

3. Almost 60% of the country's largest foundations provide insufficient information to the public about their grant-making, operations and finances. Corporate foundations are the worst offenders, 75% scoring "below minimum" in this study. (See columns 4 and 5.)

4. Of all types of foundations, community foundations as a group are more accountable than private or corporate foundations. Fifty percent (50%) of the largest such foundations have acceptable scores in this survey, compared to 41% for the largest private foundations and only 25% for the largest corporate foundations. (See columns 2 and 3.)

5. Only 4% of the largest foundations achieve a standard of "excellent" in voluntarily reporting information to the public about their grant-making, operations and finances. (See column 2.) This standard is not a concoction of theoretical possibilities, but a standard which, in each of its parts, is actually adhered to by at least 30% of the 145 foundations surveyed which voluntarily provide information to the public. (See Appendix A for detail.)

6. While private foundations have the greatest proportion of "totally unacceptable" scores in this study, they also are the only type foundation that achieved "excellent" scores, eight of the 150 studied having scored such. No community or corporate foundations attained the standard of "excellent". (See column 2.)

Table 02

Study of the Public Information Accountability of the Largest Foundations

BEST & WORST RECORDS OF FOUNDATIONS
IN VOLUNTARILY PROVIDING KEY INFORMATION TO THE PUBLIC

Best Foundation Records in Public Information Accountability

Score	Foundation name
84	C.S. Mott Foundation
80	Northwest Area Foundation
79	Bush Foundation
76	Dana Foundation
75	W.K. Kellogg Foundation
75	Commonwealth Fund
75	Carnegie Corp. of New York
75	Rockefeller Brothers Fund

The above list includes all foundations studied which scored "Excellent". See Appendix A for explanation of this standard. Only private foundations scored "excellent"; no corporate or community foundations did.

Worst Foundation Records in Public Information Accountability

Community Foundations

Score	Name	Total Grant Dollars* (in millions)
0	Board of Directors of City Trusts, Philadelphia	$4.5
0	Fremont Area Foundation	.5
0	Williamsport Foundation	.4

Corporate Foundations

Score	Name	Total Grant Dollars* (in millions)
0	Eastman Kodak Charitable Trust	$4.7
0	Gulf Oil Foundation of Delaware	4.1
0	Western Electric Fund	3.3
0	General Tel. & Elec. Foundation	2.6
0	PPG Industries Foundation	2.2
0	UPS Foundation	2.0
0	Chrysler Corp. Fund	2.0
0	Aeroflex Foundation	1.8

* Figures are from Foundation Center data bank as of 4/8/80.

Private Foundations

Score	Name	Total Assets* (in millions)
0	Mabee Foundation	$214.7
0	Brown Foundation	173.9
0	Fairchild Foundation	111.5
0	J. Brown Foundation	101.9
0	Olin Foundation	96.1
0	Amon G. Carter Foundation	95.4
0	W.R. Hearst Foundation	95.0
0	Herrick Foundation	91.8
0	Sarah Scaife Foundation	84.3
0	The Clark Foundation	77.6
0	Benedum Foundation	76.5
0	Timken Foundation of Canton	75.3
0	Revson Foundation	72.5
0	Warren Foundation	71.7
0	Smith Richardson Foundation	65.5
0	Atlantic Foundation	65.1
0	Krannert Charitable Trust	62.5
0	Meadows Foundation	61.8
0	Dan Murphy Foundation	60.2
0	Connelly Foundation	57.5
0	Anderson Foundation	55.5
0	Maclellan Foundation	55.0
0	McDonnell Foundation	50.3
0	J.B. Whitehead Foundation	48.3
0	W. Alton Jones Foundation	47.5
0	Monell Foundation	45.0
0	Annie Casey Foundation	44.5
0	Regenstein Foundation	43.7
0	Hearst Foundation	42.8
0	Kirby Foundation	42.5
0	Aurora Foundation	41.5
0	L.P. Whitehead Foundation	41.1
0	Stark Foundation	40.0
0	Boswell Foundation	39.4
0	Doheny Foundation	38.6
0	Wallace Fund	38.6
0	Annenberg Fund	38.4
0	Newhouse Foundation	36.5
0	Steele Foundation	36.1
0	Raskob Foundation for Catholic Activities	35.5
0	Phillips Foundation	33.9
0	Ramapo Trust	32.7
0	Liberty Fund	30.7
0	Norris Foundation	30.0
0	McShain Charities	29.2
0	Henry P. Kendall Foundation	29.0
0	Fikes Foundation	28.8
0	Siebert Lutheran Foundation	25.3
0	Stranahan Foundation	25.3
0	**Charles Engelhard Foundation	20.5
0	**Lehman Foundation	13.4
0	**Benwood Foundation	7.7

*Figures are from Foundation Center data bank as of 4/8/80.

**These foundations were included in the list of those received from the Foundation Center in June 1978 that then had assets of $25 million or more.

Notes on Table 02

1. Sixty-three (63) or 30% of the country's 208 largest foundations refuse to provide information to the public. Despite repeated attempts during the survey to obtain information directly from these foundations, they refused to provide anything. While some of the foundations surveyed only sent xerox copies of the Forms 990 which they file annually with the Internal Revenue Service, rather than slicker printed materials, these 63 foundations did not even do that.

   - o Thirty-four of the foundations did not respond at all to NCRP's requests, although according to the Foundation Directory three of them do prepare annual reports.

   - o Fourteen reported that they have no materials available for the public.

   - o Twelve said they do not fill out surveys, although none of them, according to the Foundation Directory prepare annual reports.

   - o Three sent letters turning down NCRP's "request for funds." When another letter was sent, explaining that the "request" was for informational materials, not funds, Western Electric Fund sent its corporate annual report which has no information on contributions, the Chrysler Corporation Fund said its 990 tax return was available in its office for review, and the Dan Murphy Foundation did not respond.

2. Eight (8) of the country's largest private foundations have "excellent" records of voluntarily making critical information available to the public. (The "excellent" standard is one obtained by adding the survey item scores that were tallied by at least 30% of the 145 foundations surveyed which generally provide information to the public. See Appendix A for a further explanation.)

3. No corporate or community foundation scored "excellent."

Table 03

Study of the Public Information Accountability of the Largest Foundations

MEDIAN SCORES & RANGES OF SCORES BY TYPE OF FOUNDATION

	Median Scores (1)	Ranges of Scores For Mid-80%* (2)	Ranges of Scores For Mid-50%# (3)
Private Foundations	49.5	68 - 0	61.5 - 0
Community Foundations	54.5	65 - 24	61 - 38.5
Corporate Foundations	30.5	60 - 0	53 - 0
All Foundations Studied	48.5	67 - 0	61 - 0

Total Score Possible	99
Standard of Excellence	75
Minimally Acceptable Score	54

* The "mid-80%" is the 80% of foundations with middle range scores after eliminating the top 10% and bottom 10% extremes.
# The "mid-50%" is the 50% of foundations with middle range scores after eliminating the top 25% high scores and bottom 25% low scores.

Summary of Table 03

1. Of all foundations studied, corporate foundations generally provide the least information about their grant-making, operations and finances (Median score 30.5), compared to private foundations (49.5) and community foundations (54.5). (See column 1.)

2. Community foundations are the most consistent in their public information accountability, as evidenced by their higher median score of (54.5) and by the bunching of most of their scores. (The middle scoring 50% of the community foundations have scores ranging tightly from 61 to 38.5 compared to 61.5-0 for private foundations and 53-0 for corporate foundations -- see column 3 -- while the middle-scoring 80% of community foundations have scores ranging from 65-24 compared to 68-0 for private foundations and 60-0 for corporate foundations -- see column 2.)

Table 04

Study of the Public Information Accountability of the Largest Foundations

FOUNDATIONS BY TYPE AND TOTAL SURVEY SCORES
CONSIDERING ONLY THOSE FOUNDATIONS
WHICH VOLUNTARILY PROVIDE INFORMATION TO THE PUBLIC*

	Total No. of Found.* (1)	Excellent Score (2)	Acceptable Score (3)	Below Minimum Score (4)
Private Foundations	98 (100%)	8 (8%)	54 (55%)	36 (37%)
Community Foundations	27 (100%)	0	15 (56%)	12 (44%)
Corporate Foundations	20 (100%)	0	7 (35%)	13 (65%)
All Foundations Studied	145 (100%)	8 (6%)	76 (52%)	61 (42%)

*That is, after eliminating all 63 foundations which scored zero on this survey.

Summary of Table 04

When considering only those largest foundations which voluntarily provide information to the public (that is, eliminating the 63 foundations which scored zero in this study), private foundations outperform community foundations in their elementary accountability, with corporate foundations still showing up worst. Sixty-three percent (63%) of private foundations score "excellent" or "acceptable" scores versus 56% of community foundations and only 35% of corporate foundations. (See columns 2 and 3).

Table 05

Study of the Public Information Accountability of the Largest Foundations

RATING OF FOUNDATIONS
ON THEIR VOLUNTARY PROVISION OF INFORMATION TO THE PUBLIC
BY TYPE OF FOUNDATION

Score	Private Foundations	Rating
84	C. S. Mott Foundation	Excellent
80	Northwest Area Foundation	"
79	Bush Foundation	"
76	Dana Foundation	"
75	W. K. Kellogg Foundation	"
75	Commonwealth Fund	"
75	Carnegie Corp. of New York	"
75	Rockefeller Brothers Fund	"
74	Ford Foundation	Acceptable
74	Research Corp.	"
74	Josiah Macy, Jr. Foundation	"
71	Alfred P. Sloan Foundation	"
71	Andrew Mellon Foundation	"
70	Turrell Fund	"
68	Lilly Endowment	"
68	The Spencer Foundation	"
68	George Gund Foundation	"
67	Boettcher Foundation	"
67	William T. Grant Foundation	"
66	Kaiser Family Foundation	"
66	James Irvine Foundation	"
66	Markle Foundation	"
65	Rockefeller Foundation	"
65	Schumann Foundation	"
65	Calloway Foundation	"
65	Mary F. Cary Charitable Trust	"
65	Hewlett Foundation	"
65	Teagle Foundation	"
64	Kate B. Reynolds Charitable Trust	"
64	Kresge Foundation	"
64	Calder Foundation	"
64	Tinker Foundation	"
63	Gates Foundation	"
62	J. M. Foundation	"
62	Robert Sterling Clark Foundation	"
62	Charles F. Kettering Foundation	"
62	A. V. Davis Foundations	"
61	M.J. Murdock Charitable Trust	"
61	Robert Wood Johnson Foundation	"
61	Duke Endowment	"
61	Richard King Mellon Foundation	"
61	Edyth Bush Foundation	"
61	Foundation for Child Development	"
60	Trexler Foundation	"
60	Morehead Foundation	"
59	Moody Foundation	"
59	John A. Hartford Foundation	"

Score	Private Foundations (continued)	Ratings
59	Danforth Foundation	Acceptable
59	S. H. Cowell Foundation	"
59	Kress Foundation	"
59	Adolph Coors Foundation	"
59	China Medical Board of New York	"
58	Z. Smith Reynolds Foundation	"
58	Guggenheim Memorial Fund	"
57	Henry Luce Foundation	"
56	Joyce Foundation	"
56	William Penn Foundation	"
56	Woods Charitable Trust	"
55	Charles Hayden Foundation	"
55	Mary Reynolds Babcock Foundation	"
55	Independence Foundation	"
54	G. Hyams Trust	"
53	Houston Endowment	Below Minimum
53	Edna McConnell Clark Foundation	"
53	Edward Ford Foundation	"
52	Helene Fuld Health Trust	"
52	Helena Rubinstein Foundation	"
52	Vincent Astor Foundation	"
51	Victoria Foundation	"
51	E. J. Noble Foundation	"
50	Booth Ferris Foundation	"
50	Surdna Foundation	"
50	Sid Richardson Foundation	"
50	El Pomar Foundation	"
50 Median	Fannie Rippel Foundation	"
49	Hoblitzelle Foundation	"
48	McGregor Fund	"
47	Cafritz Foundation	"
47	Public Welfare Foundation	"
47	Jessie Smith Noyes Foundation	"
45	Pardee Foundation	"
39	Heinz Endowment	"
38	Cullen Foundation	"
38	Gannett Newspaper Foundation	"
35	Kenan Charitable Trust	"
31	Pew Freedom Trust	"
31	Pew Jr. Charitable Trust	"
31	Pew Memorial Trust	"
31	Myrin (Mabel Pew) Trust	"
30	Samuel Roberts Noble Foundation	"
27	Dow Foundation	"
25	Alliss Educational Foundation	"
25	Kerr Foundation	"
23	J. B. Campbell Foundation	"
22	Firestone Foundation	"
21	Gerstacker Foundation	"
18	Ahmanson Foundation	"
16	De Rance, Inc.	"
0	Charles Englehard Foundation	Totally Unacceptable
0	Lehman Foundation	"
0	Benwood Foundation	"

Score	Private Foundations (continued)	Ratings
0	Mabee Foundation	Totally Unacceptable
0	Brown Foundation	"
0	Fairchild Foundation	"
0	J. Brown Foundation	"
0	Olin Foundation	"
0	Amon G. Carter Foundation	"
0	W.R. Hearst Foundation	"
0	Herrick Foundation	"
0	Sarah Scaife Foundation	"
0	The Clark Foundation	"
0	Benedum Foundation	"
0	Timken Foundation of Canton	"
0	Revson Foundation	"
0	Warren Foundation	"
0	Smith Richardson Foundation	"
0	Atlantic Foundation	"
0	Krannert Charitable Trust	"
0	Meadows Foundation	"
0	Dan Murphy Foundation	"
0	Connelly Foundation	"
0	Anderson Foundation	"
0	Maclellan Foundation	"
0	McDonnell Foundation	"
0	J.B. Whitehead Foundation	"
0	W. Alton Jones Foundation	"
0	Monell Foundation	"
0	Annie Casey Foundation	"
0	Regenstein Foundation	"
0	Hearst Foundation	"
0	Kirby Foundation	"
0	Aurora Foundation	"
0	L.P. Whitehead Foundation	"
0	Stark Foundation	"
0	Boswell Foundation	"
0	Doheny Foundation	"
0	Wallace Fund	"
0	Annenberg Fund	"
0	Newhouse Foundation	"
0	Steele Foundation	"
0	Raskob Foundation for Catholic Activities	"
0	Phillips Foundation	"
0	Ramapo Trust	"
0	Liberty Fund	"
0	Norris Foundation	"
0	McShain Charities	"
0	Henry P. Kendall Foundation	"
0	Fikes Foundation	"
0	Siebert Lutheran Foundation	"
0	Stranahan Foundation	"

Score	Community Foundations	Ratings
68	Hartford Foundation for Public Giving	Acceptable
68	Winston-Salem Foundation	"
67	San Francisco Foundation	"
65	Metropolitan Foundation of Atlanta	"
63	Permanent Charity Fund, Boston	"
62	Chicago Community Trust	"
62	California Community Foundation	"
60	Milwaukee Foundation	"
59	Columbus Foundation	"
59	Philadelphia Foundation	"
59	St. Paul Foundation	"
57	Pittsburgh Foundation	"
56	Indianapolis Foundation	"
55	New York Community Trust	"
54-Median	Grand Rapids Foundation	"
51	Rhode Island Foundation	Below Minimum
51	Cleveland Foundation	"
51	Buffalo Foundation	"
49	Kalamazoo Foundation	"
45	Minneapolis Foundation	"
42	Santa Barbara Foundation	"
42	Stark County Foundation	"
41	Seattle Foundation	"
36	Cincinnati Foundation	"
30	Oklahoma City Community Foundation	"
24	New Haven Foundation	"
24	Dallas Community Trust Fund	"
0	Board of Directors of City Trusts, Philadelphia	Totally Unacceptable
0	Fremont Area Foundation	"
0	Williamsport Foundation	"

Score	Corporate Foundations	Ratings
73	Atlantic Richfield Foundation	Acceptable
62	Alcoa Foundation	"
62	Merck Company Foundation	"
60	Sears-Roebuck Foundation	"
60	Exxon Education Foundation	"
58	General Mills Foundation	"
57	U.S. Steel Foundation	"
53	Weyerhauser Company Foundation	Below Minimum
50	Monsanto Fund	"
48	General Electric Foundation	"
48	Amoco Foundation	"
46	Shell Companies Foundation	"
45	Morgan Guaranty Trust Co. Charitable Trust	"
33	Mobil Foundation	"
25 -Median	Xerox Fund	"
20	Rockwell International Corporate Trust	"
19	Procter and Gamble Fund	"
18	John Deere Foundation	"
15	American Can Company Foundation	"
11	Ford Motor Company Fund	"
0	Eastman Kodak Charitable Trust	Totally Unacceptable
0	Gulf Oil Foundation of Delaware	"
0	Western Electric Fund	"
0	General Tel. & Elec. Foundations	"
0	PPG Industries Foundation	"
0	UPS Foundation	"
0	Chrysler Corp. Fund	"
0	Aeroflex Foundation	"

Table 06

Study of the Public Information Accountability of the Largest Foundations

PERCENTAGE OF ALL FOUNDATIONS SURVEYED WHICH PROVIDE INFORMATION ON EACH SURVEY ITEM

A. Information on grant-making interests and policies

62% At least a simple statement of program/funding interests

60% Purpose of foundation

57% Limitations on funding: criteria for funding; criteria for grantees (i.e., explicit criteria by which applications will be accepted or rejected)

31% Detailed statement of program/funding interests

16% Policies on length of funding

2.9% Indication of amount of $ available during next year in each program/funding area

B. Procedures for grant proposal application and evaluation

59% Grant application procedures

24% Proposal evaluation procedures

C. Information on recent grants

62% Names of grantees

59% Amounts of grants

53% At least a brief description of grants

50% Categorical listing of grants by program area

45% Categorical listing of grants by progarm area, with totals for each category

41% Names and cities of grantees

13% Detailed description of grants

3.4% Names and complete addresses of grantees

D. Governance

65% Simple list of Board of Directors/Trustees

54% List of staff

33% No. and approx. dates of board meetings

24% List of Board of Directors/trustees with affiliations or addresses, etc.

1.9% Affirmative action policy statement

1.0% Conflict of interest policy statement

E. Finances

57% Simple info re income, expenses, assets and liabilities

43% Independent auditor's statement

21% Sources of income listed individually (including all securities, real property, company and individual gifts, etc.)

20% Total compensation of staff, directors, officers, shown separately from other administrative costs.

5.8% Investment policy statement

2.9% Report on percentage rate of return on investments

2.9% Sources of income available upon request

Table 07

Study of the Public Information Accountability of the Largest Foundations

Survey Section	Total Score Possible (1)	Excellent Score* (2)	PERCENTAGE OF FOUNDATIONS SCORING EXCELLENT* FOR ALL 5 SECTIONS OF THE SURVEY AND TOTAL SURVEY: Private Found. (3)	Community Found. (4)	Corporate Found. (5)	All Found. (6)
A. Info on grant-making interests and policies	21	15	32%	30%	32%	32%
B. Procedures for grant proposal applications and evaluation	9	8	24%	40%	7%	24%
C. Info on recent grants	24	19	33%	7%	11%	26%
D. Governance	21	15	11%	30%	4%	13%
E. Finances	24	18	11%	3%	4%	9%
Total Survey (All five sections together)	99	75	5%	0%	0%	4%
Total Number of Foundations surveyed			150	30	28	208

*The standard of "Excellent" for each section is derived by adding the survey item scores that were tallied by at least 30% of the 145 foundations in this survey which voluntarily provide information to the public. See Appendix A for further explanation.

Summary of Table 07

1. Generally foundations are least likely to provide critical information on their finances (9%) and governance (13%), the information most important to the general public, while being more likely to provide detailed information on their grant-making interests and policies (32%), recent grants (26%), and grant application and evaluation procedures (24%). (See column 6.)

2. Community foundations are much more likely (40%) than private (24%) or corporate foundations (7%) to provide key information on grant proposal application and evaluation procedures. (See line B.) And 30% of the community foundations provide "excellent" materials on grant-making interests and policies. Nevertheless, these same community foundations do a poor job of providing the detailed information on recent grants which grant applicants find so helpful. Only 7% score "excellent." (See column 4.)

3. Private foundations are much more likely (33%) than corporate (11%) and community foundations (7%) to provide detailed information on their recent grants. (See line C.) And solid proportions of private foundations make available "excellent" material in two other categories of most direct concern to grant applicants: information on grant-making interests and policies (32%) and procedures for proposal application and evaluation (24%). (See column 3.)

4. Almost 1/3 of corporate foundations provide extensive information on grant-making interests and policies, but only 4-11% make available to the public other essential information. (See column 5.)

5. Very few community or corporate foundations voluntarily tell the public detailed information about their finances (only 3-4% do). Private foundations do little better (11%). (See line E.)

6. Community foundations are superior in reporting details of their governance to the public (30% do). Private and corporate foundations have poor records in this area (only 11% and 4%, respectively, scoring "excellent"). (See line D.)

Table 08

Study of the Public Information Accountability of the Largest Foundations

Survey Section	Total Score Possible (1)	Acceptable Score* (2)	PERCENTAGE OF FOUNDATIONS SCORING ACCEPTABLE* AND HIGHER FOR ALL 5 SECTIONS OF THE SURVEY AND TOTAL SURVEY: Private Found. (3)	Community Found. (4)	Corporate Found. (5)	All Found. (6)
A. Info on grant-making interests and policies	21	12	53%	57%	43%	52%
B. Procedures for grant proposal application and evaluation	9	6	57%	80%	50%	59%
C. Info on recent grants	24	17	37%	43%	18%	35%
D. Governance	21	10	51%	80%	46%	54%
E. Finances	24	9	44%	50%	46%	45%
Total Survey (all five sections together)	99	54	41%	50%	25%	41%
Total Number of Foundations Surveyed			150	30	28	208

*The standard of "Acceptable" for each section is derived by adding survey item scores that were tallied by at least 60% of the 145 foundations in this survey which voluntarily provide information to the public. See Appendix A for further explanation.

Summary of Table 08

1. More than one-half of the largest foundations provide basic information about procedures for grant application and evaluation (59%), governance (54%), and grant-making interests and policies (52%), while less than one-half provide elementary information on their recent grants (35%) and finances (45%). (See column 6.)

2. Overall, 50% of the largest community foundations score "acceptable", thus overshadowing the overall accountability performance of private foundations (41%) and corporate foundations (25%). This stands in contrast to the fact that not a single community foundation scored "excellent", while eight private foundations did. (See "Total Survey" line.)

3. Eighty percent (80%) of the largest community foundations make available to the public basic guidance about procedures for grant application and evaluation, far outstripping the records of private and corporate foundations in this area. More community foundations also generally furnish basic information on their grant-making interests and policies and on recent grants, that is, the additional categories of great importance to potential grant applicants, than do private and corporate foundations. (See lines A and C.)

4. Regarding governance and finance, critical areas of concern to the general public, 80% of the largest community foundations provide basic information on their governance, compared to only about half of the largest private and corporate foundations (see line D), while roughly 50% of all of these largest foundations furnish simple information about their finances. (See line E.)

5. Private foundations out-perform corporate foundations in their public information accountability in four out of five categories of data, especially on publication of information on recent grants. (See columns 3 and 5.)

Table 09

Study of the Public Information Accountability of the Largest Foundations

MEDIAN SCORES FOR EACH SURVEY SECTION AND TOTAL SURVEY
BY TYPE OF FOUNDATION

Survey Section	Total Score Possible (1)	Acceptable Score* (2)	Median Scores By Type of Foundation Private (3)	Community (4)	Corporate (5)	Median Scores All Found. (6)
A. Info on grant-making interests and policies	21	12	12	12	9	12
B. Procedures for grant proposal application and evaluation	9	6	6	6	3	6
C. Info on recent grants	24	17	13	14	10	13
D. Governance	21	10	10	13	5	10
E. Finances	24	9	3	7.5	3	3
Total Survey	99	54	49.5	54.5	30.5	48.5

*See Appendix A for definition.

Summary of Table 09

1. Providing information on finances is the weakest element of foundation accountability, as the median score of 3 for all foundations (versus a possible 24) indicates. Only the community foundations show up better. (See line E.) Half of the largest corporate foundations and almost half of the largest private foundations score absolute zero in provision of basic financial information.

2. Corporate foundations show very poorly in providing guidance for grant proposal applications and information on proposal evaluation. (See line B, column 5.) Half of the largest corporate foundations score zero in this Section B.

3. Corporate foundations hardly do any better in providing basic information about their governance. (See line D, column 5.) Almost half of these corporate foundations (one less than half, to be exact) score zero regarding governance.

Table 10

Study of the Public Information Accountability of the Largest Foundations

FOUNDATIONS SCORING PERFECT AND NEAR PERFECT SCORES IN EACH OF THE FIVE SECTIONS OF THE SURVEY

Section A: Information on kinds of grants possible

Perfect Scores (21)

Northwest Area F.
Sears-Roebuck F. (Corp.)
California Community F. (Comm.)

Near Perfect Scores (18)

Edna McConnell Clark F.
C. S. Mott F.
Hewlett F.
Henry Luce F.
Morehead F.
Edward Ford F.
Guggenheim Memorial F.
Research Corp.
Atlantic Richfield F. (Corp.)
U. S. Steel F. (Corp.)
Permanent Charity Fund, Boston (Comm.)
Winston-Salem F. (Comm.)

Section B: Procedures for Proposal Application and Evaluation

Perfect Scores (9)

Kresge F.
Lilly Endowment
Turrell Fund
Bush F.
J. M. F.
Mary Reynolds Babcock F.
Hewlett F.
G. Hyams Trust
Ahmanson F.
Northwest Area F.
M. J. Murdock Char. Trust
Spencer F.
Sid Richardson F.
George Fund F.
Mary F. Cary Char. Trust
Helena Rubenstein F.
Gates F.
Helene Fuld Health Trust
Edythe Bush F.
Hoblitzelle F.
Boettcher F.
Adolph Coors F.
A. V. Davis Foundations
Research Corp.
Weyerhauser Co. F. (Corp.)
Atlantic Richfield F. (Corp.)
N. Y. City Trust (Comm.)
Chicago Community Trust (Comm.)
Permanent Char. Fund, Boston (Comm.)
San Francisco F. (Comm.)
Hartford F. for Public Giving (Comm.)
New Haven F. (Comm.)
Columbus F. (Comm.)
Buffalo F. (Comm.)
Seattle F. (Comm.)
Milwaukee F. (Comm.)
Metropolitan F. of Atlanta (Comm.)

Near Perfect Scores (8)

Ford F.
W. K. Kellogg F.
James Irvine F.
Kaiser Family F.
C. S. Mott F.
Rockefeller Brothers Fund
El Pomar F.
Morehead F.
Independence F.
Guggenheim Memorial Fund
Trexler F.
J. B. Campbell F.
Philadephia F. (Comm.)

Section C: Information on recent grants

Perfect Scores (24)
Commonwealth Fund
C. S. Mott F.

Near Perfect Scores (21-22)
W. K. Kellogg F.
Rockefeller F.
Edna McConnell Clark F.
Andrew Mellon F.
Rockefeller Brothers Fund
George Gund F.
Gates F.
Morehead F.
China Medical Board
Wm. T. Grant F.
Calder F.
Boettcher F.

Section D: Governance of Foundation

Perfect Score (21)
None

Near Perfect Scores (17-18)
Chicago Comm. Trust (Comm.)
Hartford F. for Public Giving (Comm.)

Section E: Finances

Perfect Scores (24)
None

Near Perfect Scores (21)
Bush F.
C. S. Mott F.
Carnegie Corp. of N. Y.
Dana F.
Markle F.
Rhode Island F. (Comm.)

Table 11

Study of the Public Information Accountability of the Largest Foundations

RATINGS OF FOUNDATIONS BY STATE

Total Score (99)*		Section Scores A (21)*	B (9)*	C (24)*	D (21)*	E (24)*
	CALIFORNIA					
73	Atlantic Richfield Found. - Los Angeles	18	9	19	15	12
67	San Francisco Foun.	12	9	17	15	14
66	Kaiser Family Found. - Palo Alto	15	8	16	12	15
66	Irvine Found. - San Francisco	15	8	16	12	15
65	Hewlett Found. - Palo Alto	18	9	16	13	9
62	California Community Found. - Los Angeles	21	6	19	13	3
59	Cowell Found. - San Francisco	12	6	19	13	9
42	Santa Barbara Found.	6	6	14	10	6
20	Rockwell Int'l. Corp. Trust - El Segundo	0	0	8	6	6
18	Ahmanson Found. - Los Angeles	9	9	0	0	0
0	Steele Foundation - Newport Beach	0	0	0	0	0
0	Boswell Found. - Los Angeles	0	0	0	0	0
0	Doheny Found. - Los Angeles	0	0	0	0	0
0	Dan Murphy Found. - Los Angeles	0	0	0	0	0
0	Norris Found. - Los Angeles	0	0	0	0	0
	COLORADO					
67	Boettcher Found. - Denver	12	9	21	10	15
63	Gates Found. - Denver	15	9	21	15	3
59	Coors Found. - Denver	15	9	19	13	3
50	El Pomar Found. - Colorado Springs	9	8	14	10	9
	CONNECTICUT					
76	Dana Found. - Greenwich	15	6	19	15	21
68	Hartford Found. for Public Giving	15	9	17	18	9
48	General Electric Found. - Bridgeport	15	0	11	10	12
25	Xerox Fund - Stamford	9	6	10	0	0
24	New Haven Found.	12	9	0	3	0
15	American Can Co. Found. - Greenwich	9	6	0	0	0
0	Annie Casey Found.- Greenwich	0	0	0	0	0
0	General Tel. & Elec. Found. - Stamford	0	0	0	0	0
0	UPS Found. - Greenwich	0	0	0	0	0
0	Fairchild Found. - Greenwich	0	0	0	0	0
	DELAWARE					
0	Raskob Found. for Catholic Activities - Wilmington	0	0	0	0	0

*Total score possible

Total Score (99)*		Section Scores A (21)*	B (9)*	C (24)*	D (21)*	E (24)*
	DISTRICT OF COLUMBIA					
47	Public Welfare Found.	12	6	19	10	0
47	Cafritz Found.	12	6	19	10	0
	FLORIDA					
62	A. V. Davis Founds. - Coral Gables	12	9	19	13	9
61	Edyth Bush Char. Found. - Winter Park	12	9	19	12	9
0	Aurora Found. - Bradenton	0	0	0	0	0
	GEORGIA					
65	Metro.Found. of Atlanta	12	9	17	15	12
65	Calloway Found. - LaGrange	12	6	19	10	18
23	Campbell Found. - Atlanta	12	8	0	3	0
0	L. P. Whitehead Found. - Atlanta	0	0	0	0	0
0	J.B. Whitehead Found. - Atlanta	0	0	0	0	0
	ILLINOIS					
68	The Spencer Found. - Chicago	15	9	16	13	15
62	Chicago Community Trust	9	9	17	18	9
60	Sears-Roebuck Found. - Chicago	21	0	18	12	9
56	The Joyce Found. - Chicago	12	6	19	10	9
56	Woods Charitable Trust - Chicago	12	6	19	4	15
48	Amoco Found. - Chicago	15	6	6	12	9
18	John Deere Found. - Moline	12	6	0	0	0
0	Regenstein Found. - Chicago	0	0	0	0	0
	INDIANA					
68	Lilly Endowment - Indianapolis	15	9	13	13	18
56	Indianapolis Found.	12	6	17	15	6
0	Krannert Charitable Trust - Indianapolis	0	0	0	0	0
0	Liberty Fund - Indianapolis	0	0	0	0	0
	KENTUCKY					
0	J. Brown Found. - Louisville	0	0	0	0	0
	MASSACHUSETTS					
63	Permanent Charity Fund - Boston	18	9	17	13	6
54	G. Hymans Trust - Boston	12	9	17	13	3
0	Kendall Found. - Boston	0	0	0	0	0

*Total score possible

Total Score (99)*		Section Scores A (21)*	B (9)*	C (24)*	D (21)*	E (24)*
	MICHIGAN					
84	C. S. Mott Found. - Flint	18	8	24	13	21
75	W. K. Kellogg Found. - Battle Creek	15	8	22	15	15
64	The Kresge Found. - Troy	15	9	19	10	11
54	Grand Rapids Found.	15	6	8	13	12
49	Kalamazoo Found.	15	6	6	13	9
48	McGregor Fund -Detroit	6	6	11	13	12
45	Pardee Found. - Midland	12	6	11	10	6
27	Dow Found. - Midland	9	6	8	4	0
21	Gerstacker Found. - Midland	6	0	8	4	3
11	Ford Motor Co. Fund - Dearborn	0	0	11	0	0
0	Herrick Found. - Detroit	0	0	0	0	0
0	Chrysler Corp. Fund - Highland Park	0	0	0	0	0
0	Fremont Area Found. - Fremont	0	0	0	0	0
	MINNESOTA					
80	Northwest Area Found. - St. Paul	21	9	19	15	16
79	The Bush Found. - St.Paul	15	9	19	15	21
59	St. Paul Found.	15	6	19	10	9
58	General Mills Found. - Minneapolis	12	6	19	12	9
45	Minneapolis Found.	3	6	14	13	9
25	Alliss Educational Found. - St.Paul	0	0	13	0	12
0	Phillips Found. - Minneapolis	0	0	0	0	0
	MISSOURI					
59	Danforth Found. - St. Louis	15	6	11	12	15
50	Monsanto Fund - St.Louis	15	6	10	10	9
0	McDonnell Found. - St. Louis	0	0	0	0	0
	NEW JERSEY					
70	Turrell Fund - East Orange	15	9	19	9	18
65	Schumann Found. - Montclair	12	6	19	13	15
62	Merck Co. Found. - Rahway	15	6	19	10	12
61	Robert Wood Johnson Found. - Princeton	15	6	19	10	11
51	Victoria Found. - Montclair	12	0	17	10	12
50	Fannie Rippel Found. - Morristown	15	6	16	10	3
0	The Atlantic Found. - Lawrenceville	0	0	0	0	0
0	Engelhard Found. - Bernardsville	0	0	0	0	0
0	Kirby Found. - Morristown	0	0	0	0	0

*Total score possible

Total Score (99)*		Section Scores A (21)*	B (9)*	C (24)*	D (21)*	E (24)*
	NEW YORK					
75	Commonwealth Fund - NYC	15	6	24	12	18
75	Carnegie Corp. - NYC	15	6	18	15	21
75	Rockefeller Brothers Fund - NYC	15	8	22	12	18
74	Research Corp. - NYC	18	9	19	15	13
74	Ford Found. - NYC	15	8	20	15	16
74	Josiah Macy Found. - NYC	15	6	20	15	18
71	Alfred P. Sloan Found. - NYC	15	6	20	12	18
71	Andrew W. Mellon Found. - NYC	15	6	22	10	18
67	W. T. Grant Found. - NYC	12	6	22	12	15
66	Markle Found. - NYC	9	6	15	15	21
65	Teagle Found. - NYC	12	6	19	10	18
65	Cary Charitable Trust - Millbrook	15	9	19	7	15
65	Rockefeller Found. - NYC	15	6	22	10	12
64	Calder Found. - NYC	15	6	22	6	15
64	Tinker Found. - NYC	12	6	16	15	15
62	R. S. Clark Found. - NYC	12	6	19	13	12
62	J. M. Found. - NYC	12	9	13	13	15
61	Found. for Child Dev. - NYC	9	6	19	12	15
61	Duke Endowment - NYC	15	0	19	12	15
60	Exxon Educ. Found. - NYC	15	6	17	10	12
59	John A. Hartford Found. - NYC	12	6	13	10	18
59	S. H. Kress Found. - NYC	15	6	16	4	18
59	China Medical Board of N. Y. - NYC	12	0	22	10	15
58	Guggenheim Memorial Found. - NYC	18	8	10	10	12
57	Henry Luce Found. - NYC	18	6	14	10	9
55	Hayden Found. - NYC	12	6	10	12	15
55	New York Community Trust	12	9	10	15	9
53	Edward Ford Found. - NYC	18	6	13	13	3
53	Edna Mc.Clark Found. - NYC	18	0	22	10	3
52	Helene Fuld Health Trust - NYC	15	9	13	6	9
52	Helena Rubinstein Found. - NYC	12	9	19	9	3
52	Vincent Astor Found. - NYC	9	6	13	15	9
51	E. J. Noble Found. - NYC	12	6	17	10	6
51	Buffalo Found.	3	9	14	13	12
50	Booth Ferris Found. - NYC	12	6	19	4	9
50	Surdna Found. - NYC	12	6	19	10	3
47	Jessie Smith Noyes Found. - NYC	12	6	16	13	0
45	Morgan Guaranty Trust Co. of New York Charitable Trust - NYC	9	6	14	4	12
38	Gannett Newspaper Found. - Rochester	15	0	13	10	0
35	Kenan Chritable Trust - NYC	15	6	10	4	0
33	Mobil Found. - NYC	0	0	14	10	9
0	Monell Found. - NYC	0	0	0	0	0
0	Eastman Kodak Char. Trust - Rochester	0	0	0	0	0

*Total score possible

Total Score (99)*		Section Scores A (21)*	B (9)*	C (24)*	D (21)*	E (24)*
	NEW YORK, continued					
0	Ramapo Trust - NYC	0	0	0	0	0
0	S. I. Newhouse Found. - Staten Island	0	0	0	0	0
0	Lehman Found. - NYC	0	0	0	0	0
0	Aeroflex Found. - NYC	0	0	0	0	0
0	W. R. Hearst Found. - NYC	0	0	0	0	0
0	Hearst Found. - NYC	0	0	0	0	0
0	Revson Found. - NYC	0	0	0	0	0
0	W. Alton Jones Found. - NYC	0	0	0	0	0
0	Olin Found. - NYC	0	0	0	0	0
0	The Clark Found. - NYC	0	0	0	0	0
0	Western Electric Fund - NYC	0	0	0	0	0
0	Wallace Fund - Mount Kisco	0	0	0	0	0
	NORTH CAROLINA					
68	Winston-Salem Found.	18	6	17	15	12
64	Kate B. Reynolds Char. Trust - Winston-Salem	15	6	19	15	9
60	Morehead Found. - Charlotte	18	8	22	12	0
58	Z. Smith Reynolds Found. - Winston-Salem	15	6	19	15	3
55	Mary R. Babcock Found. - Winston-Salem	12	9	16	15	3
0	Smith Richardson Found. - Greensboro	0	0	0	0	0
	OHIO					
68	George Gund Found. - Cleveland	15	9	22	13	9
62	Kettering Found. - Dayton	9	6	17	15	15
59	Columbus Found.	15	9	17	15	3
51	Cleveland Found.	9	6	17	16	3
42	Stark County Found. - Canton	12	6	11	10	3
36	Cincinnati Found.	3	6	14	13	0
22	Firestone Found. - Akron	6	0	6	10	0
19	Proctor & Gamble Fund - Cincinnati	6	0	13	0	0
0	Timken Found. of Canton	0	0	0	0	0
0	Stranahan Found. - Toledo	0	0	0	0	0
	OKLAHOMA					
30	Oklahoma City Comm. Found.	3	0	11	13	3
30	S. R. Noble Found. - Ardmore	3	0	12	12	3
25	The Kerr Found. - Oklahoma City	6	0	4	6	9
0	Mabee Found. - Tulsa	0	0	0	0	0
0	Warren Found. - Tulsa	0	0	0	0	0

*Total score possible

Total Score (99)*		Section Scores A (21)*	B (9)*	C (24)*	D (21)*	E (24)*
	PENNSYLVANIA					
62	Alcoa Found. - Pgh.	12	6	13	13	18
61	Richard K. Mellon Found. - Pgh.	15	6	19	10	11
60	Trexler Found. - Allentown	12	8	16	13	11
59	Philadelphia Found.	12	8	14	13	12
57	Pittsburgh Found.	12	6	14	13	12
57	U.S. Steel Found. - Pgh.	18	6	11	10	12
56	William Penn Found. - Philadelphia	12	6	19	10	9
55	Independence Found. - Philadelphia	9	8	13	10	15
39	Heinz Endowment - Pgh.	9	0	20	10	0
31	J. N. Pew, Jr. Char. Trust - Philadelphia	15	6	3	7	0
31	Pew Memorial Trust - Philadelphia	15	6	3	7	0
31	J. Howard Pew Freedom Trust - Philadelphia	15	6	3	7	0
31	Myrin (Mabel Pew) Trust - Philadelphia	15	6	3	7	0
0	Williamsport Found.	0	0	0	0	0
0	Gulf Oil Found. of Delaware-Pgh.	0	0	0	0	0
0	Benedum Found. - Pgh.	0	0	0	0	0
0	PPG Industries Found. - Pgh.	0	0	0	0	0
0	Sarah Scaife Found. - Pgh.	0	0	0	0	0
0	Board of Directors of City Trusts - Philadelphia	0	0	0	0	0
0	Connelly Found. - Philadelphia	0	0	0	0	0
0	McShain Charities - Philadelphia	0	0	0	0	0
0	Annenberg Fund - Radnor	0	0	0	0	0
	RHODE ISLAND					
51	Rhode Island Found. - Providence	6	0	17	7	21
	TENNESSEE					
0	Benwood Found. - Chattanooga	0	0	0	0	0
0	The Maclellan Found. - Chattanooga	0	0	0	0	0
	TEXAS					
59	The Moody Found. - Galveston	12	0	19	13	15
53	Houston Endowment	15	6	13	7	12
50	Sid W. Richardson Found. - Ft. Worth	9	9	16	13	3
49	Hoblitzelle Found. - Dallas	9	9	13	15	3
46	Shell Companies Found. - Houston	9	6	6	10	15
38	Cullen Found. - Houston	6	0	17	6	9
24	Dallas Comm. Chest Trust Fund	6	0	6	12	0
0	Brown Found. - Houston	0	0	0	0	0
0	Anderson Found. - Houston	0	0	0	0	0
0	Stark Found. - Orange	0	0	0	0	0
0	Meadows Found. - Dallas	0	0	0	0	0
0	Fikes Found. - Dallas	0	0	0	0	0
0	Amon G. Carter Found. - Ft. Worth	0	0	0	0	0

*Total score possible

Total Scores (99)*		Section Scores A (21)*	B (9)*	C (24)*	D (21)*	E (24)*
	WASHINGTON					
61	Murdock Char. Trust - Vancouver	15	9	13	10	14
53	Weyerhauser Co. Found. - Tacoma	15	9	16	13	0
41	Seattle Found.	15	9	14	3	0
	WISCONSIN					
60	Milwaukee Found.	9	9	17	13	12
16	DeRance, Inc. - Milwaukee	6	6	0	4	0
0	Siebert Lutheran Found. - Wauwatosa	0	0	0	0	0

*Total score possible

Appendix A

Study of the Public Information Accountability of the Largest Foundations

EXPLANATION OF STANDARDS
OF "ACCEPTABLE" AND "EXCELLENT"

1. The standard of "acceptable" for each section is derived by adding the survey item scores that were tallied by at least 60% of the 145 foundations surveyed which voluntarily provide information to the public. See next page.

2. The standard of "acceptable" for the total survey is obtained by adding together the five section standards. See next page.

3. The standard of "excellent" for each section is derived by adding the survey item scores that were tallied by at least 30% of the 145 foundations in this survey which voluntarily provide information to the public. See page 3.

4. The standard of "excellent" for the total survey is obtained by adding together the five section standards. See page 3.

Study of the Public Information Accountability of The Largest Foundations

Standard of "Acceptable"

	Percent of 145 Foundations Providing This Info*	Score
A. Info on Grant-Making Interests and Policies		
1. Purpose of foundation	86%	3
2. Simple statement of program/funding interests	89%	3
3. Limitations on funding: criteria for funding, criteria for grantees (i.e., explicit criteria by which applications will be accepted or rejected)	82%	6
Subtotal Section A		12
B. Procedures for grant proposal application and evaluation		
1. Grant application procedures, including nature of submission required, person to contact, application deadlines	85%	6
Subtotal Section B		6
C. Info on recent grants		
1. Names of grantees	89%	2
2. Amounts of all grants	81%	6
3. At least brief description of grants	76%	3
4. Categorical listing of grants by program area, with totals for each category	64%	6
Subtotal Section C		17
D. Governance		
1. List of Board of Directors/Trustees	93%	4
2. List of staff	78%	6
Subtotal Section D		10
E. Finances		
1. Simple info re income, expenses, assets and liabilities	81%	3
2. Independent auditor's statement	61%	6
Subtotal Section E		9
Total "Acceptable" Score--All Five Sections		54

*Out of the 208 foundations in this study, 145 voluntarily provide some information to the public about their grant-making, operations or finances.

Study of the Public Information Accountability of the Largest Foundations

Standard of "Excellent"

	Percent of 145 Foundations Providing This Info*	Score
A. Info on Grant-Making Interests and Policies		
"Acceptable" items #	82-86%	12
Add: (1) Detailed (rather than simple) statement of program/funding interests	44%	+3
Subtotal Section A		15
B. Procedures for grant proposal application and evaluation		
"Acceptable" items #	85%	6
Add: (1) Proposal evaluation procedures	35%	+2
Subtotal Section B		8
C. Info on recent grants		
"Acceptable" items #	64-89%	17
Add: (1) Names and cities (rather than only names) of grantees	59%	+2
Subtotal Section C		19
D. Governance		
"Acceptable" items #	78-93%	10
Add: (1) Affiliations, addresses, other identification of board of directors/ trustees (rather than just having simple list of names)	34%	+2
(2) Number and approximate dates of board meetings each year	47%	+3
Subtotal Section D		15
E. Finances		
"Acceptable" items #	61-81%	9
Add: (1) Total compensation of staff, directors, officers shown separately from other administrative costs	30%	+3
(2) Sources of income listed individually (including all securities, real property, company and individual gifts, etc.) with market values	30%	+6
Subtotal Section E		18
Total "Excellent" Score--All Five Sections		75

*Out of the 208 foundations in this study, 145 voluntarily provide some information to the public about their grant-making, operations or finances.

#See previous page.

FOUNDATION QUESTIONNAIRE

There is much discussion in the foundation community about the advisability of making information available to the public about a foundation's activities and program (funding) priorities. Among those foundations which do provide such information there are differences in the amount and kind of materials that are made available. How does your foundation deal with this issue?

(Please Check Or Mark All That Apply.)

(For keypunch use)
(card 3)

I. We do not produce informational materials for the public because:
1. ☐ We think foundation funds are better spent on funding actual projects. (12) ____
2. ☐ Our foundation is funded by private sources and its funding decisions should not be reviewed by the public. (13) ____
3. ☐ Our funds are committed to one (or several) specific recipients and we do not want to invite new grant proposals. (14) ____
4. ☐ Other (please specify) _____ (15) ____
_____ (16) ____
_____ (17) ____

II. We make the following informational materials available to the public. (Please Enclose One Copy Of Each Item Marked, When Returning This Questionnaire.)
1. ☐ A statement of application procedures and deadlines (if any). (18-20) ____
2. ☐ A statement of program (funding) priorities. (21-23) ____
3. ☐ A list of grants made in the last year(s). (24-26) ____
4. ☐ An annual report which incorporates all of the above information. (27-29) ____
5. ☐ A newsletter, magazine, or other periodical publication. (30-32) ____
6. ☐ Other (please specify and send examples) _____ (33-34) ____
_____ (35-36) ____
_____ (37-39) ____

III. ☐ We provided information to the Foundation Center to be included in the 6th edition (1977) of the *Foundation Directory*. (40-41) ____

(card 1)
Foundation Name _____ (05-70) ____

(Card 2)
Address: Number and Street _____ (05-09) ____
(10-40) ____
City _____ State _____ Zip _____ (41-69) ____
(70-71) ____
(72-76) ____

(Card 3)
Name and Title of Respondent _____ Date _____ (05-06) ____
(07-11) ____

Please return to: **National Committee For Responsive Philanthropy**
1028 Connecticut Avenue, N.W. #822, Washington, D.C. 20036

TEXT OF LETTER SENT TO FOUNDATIONS REGARDING SURVEY

Dear_____

The National Committee for Responsive Philanthropy asks your help with a research project. The National Committee was formed in 1976 to work with the philanthropic institutions in our society to increase their awareness and responsiveness to those citizen interests which have tended to be neglected by private philanthropy. In the interest of improving public knowledge and understanding about private philanthropy - which we think has a vital role to play in the future of this country - we are seeking your cooperation in completing the enclosed survey on the issues of the accountability and accessibility of foundations.

Demands for greater accountability of government, of private business, and of the private nonprofit sector have been growing in recent years. The 1974 Freedom of Information Act and similar state laws are responses to such demands being made upon the public sector.

Private philanthropy has not been spared the demands for more openness. The Council on Foundations issued a Policy Statement in 1972 which called upon foundations to:

> "...accept the principle of full disclosure and readiness to share with concerned persons, as well as with public officials, information about objectives and activities. Too often foundations have proved inaccessible and their decision-making processes cloaked in secrecy..."

The Filer Commission on Private Philanthropy and Public Needs addressed the issue in 1975, concluding that "the overall level of accountability in the voluntary sector is inadequate." Finally, the Treasury Department's "Proposals to Improve Private Philanthropy," issued on January 18,1977, would require all private foundations,larger grant-making public charities, and larger corporate giving programs to publish annual reports which list their finances, programs and priorities.

The closely related issue of accessibility has emerged in recent years with the increase in the number of groups responding to the newly recognized problems of the poor and the elderly, racism, and sexism, and to the emerging issues of consumer rights and the preservation of the environment. Whether because the organizations are new or because they represent new public concerns, they often have had the least entree to philanthropic and other institutions. The Filer Commission recommended that:

> "...greater accessibility to funding organizations, by all segments of society, with their differing perceptions of needs, can only enrich the philanthropic process and ensure that in aggregate it is tending to public needs that best are served by the voluntary sector's capabilities."

Despite this high level of concern about accountability and accessibility in philanthropic institutions, there has been very little research which systematically identifies how foundations have responded, the problem areas, or the diverse efforts individual philanthropies are making to be open and accessible. Yet what is happening among foundations in responding to our society's new calls for openness is of interest to all concerned with the future of private philanthropy. Because we believe strongly in private philanthropy and the important role it can play in meeting public needs which are not addressed by government or business, the National Committee is undertaking a two-part survey to elicit information that will shed light on these matters.

In addition to developing useful general information, we also plan to make comparative ratings of individual foundations' accountability and accessibility. We hope you will cooperate by filling out and returning both parts of the survey. When completed, the survey results will be shared directly with you, the rest of the philanthropic community, and the general public.

Thank you in advance for your help. Please call us if you have any questions concerning the survey.

Sincerely,

Robert O. Bothwell
Executive Director

APPENDIX C

FOUNDATION ACCOUNTABILITY RATING FORM
Provision of Information to the Public

(For keypunch use)
(Card #1)
(1-4)
(5-6)
(7-70)
(79-80)
(Card #2)
(1-4)
(5-6)
(7-8)

CODE#_____

NAME_____

STATE_____

PUBLISHED AR:
No____
990 made available____
Yes____ (9)_____

YEAR_____ (10-11)_____

	Page#	Weight	
A. Information on kinds of grants possible			
1. Purpose of foundation	____	(3)____	
No____			
Yes____			(12)_____
2. Statement of program/funding interests	____	(6)____	
None____			
Simple____			
Detailed____			(13)_____
3. Indication of amount available during next year for each program/funding area	____	(3)____	
No____			
Yes____			(14)_____
4. Limitations on funding: criteria for funding/criteria for grantees(i.e.,explicit criteria by which applications will be accepted or rejected)	____	(6)____	
No____			
Yes____			(15)_____
5. Policies on length of funding:	____	(3)____	
No____			
Yes____			(16)_____
6. Additional information not noted above, especially helpful presentation,etc.	____		

_____

_____

TOTAL WEIGHT THIS SECTION - A: (21)_____

FOUNDATION RATING FORM - Page 2.

CODE#_____

NAME_____ (For keypunch use (Card#2)

	Page #	Weight	
B. Procedures for proposal application and evaluation			
1. Grant application procedures, including nature of submission required, person to contact, application deadlines:	____	(6)____	
No____			
Yes____			(21)_____
2. Proposal evaluation procedures	____	(3)____	
No____			
Yes____			(22)_____
Yes, with mention of length of time for processing ____			(22)_____
3. Additional information not noted above, especially helpful presentation, etc.	____		

_____

_____

TOTAL WEIGHT THIS SECTION -B: (9)_____

FOUNDATION RATING FORM - Page 3.

CODE#_____

NAME_____ (For keypunch use) (Card #2)

	Page#	Weight	
C. Information on grants			
1. Grants list for one or more recent years, including:			
a. Names and addresses of grantees	____	(6)____	
None____			
Names only____			
Names & cities____			
Names & complete addresses____			(27)_____
b. Amount of grants:	____	(6)____	
None____			
Some____			
All____			(28)_____
c. Description of grants:	____	(6)____	
None____			
Brief____			
Detailed____			(29)_____
2. Categorical listing of grants by program area	____	(6)____	
None____			
Yes, simply listed____			
Yes, with totals for each category____			(30)_____
3. Additional information not noted above, especially helpful presentation, etc.	____		

_____

_____

TOTAL WEIGHT THIS SECTION - C: (24)_____

FOUNDATION RATING FORM - Page 4.

CODE#_____

NAME_____ (For keypunch use) (Card #2)

	Page#	Weight	
D. Governance of foundation			
1. List of Board of Directors/Trustees	____	(6)____	
No____			
Yes____			
Yes, with affiliations,addresses,etc.____			(35)_____
2. List of staff	____	(6)____	
No____			
Yes____			(36)_____
3. Number and approx. dates of board meetings each year	____	(3)____	
No____			
Yes____			(37)_____
4. Conflict of interest:	____	(3)____	
a. Policy statement:			
No____			
Yes____			(38)_____
b. Information on how foundation avoids conflict of interest between trustees and grantee organizations (eg.,information on overlapping board memberships)			
No____			
Yes____			(39)_____
5. Affirmative action policy	____	(3)____	
No____			
Yes____			(40)_____
6. Additional information not noted above, especially helpful presentation,etc.	____		

_____

_____

TOTAL WEIGHT THIS SECTION- D: (21)_____

FOUNDATION RATING FORM - Page 5.

CODE#_____

NAME_____ (For keypunch use) (Card #2)

	Page#	Weight	
E. Finances			
1. Simple information re income, expenses, assets, liabilities:	____	(3)____	
No___			
Yes___			(45)_____
2. Total compensation of staff, directors, officers shown separately from other administrative costs:	____	(3)____	
No___			
Yes___			(46)_____
3. Sources of income listed individually (including all securities, rental property, company & individual gifts, etc.)	____	(6)____	
No___			
Available upon request___			
Yes, but no market values___			
Yes, with market values___			(47)_____
4. Investment policy statement:	____	(3)____	
No___			
Ambiguous statement___			
Clear statement___			(48)_____
5. Report on percentage rate of return on investments:	____	(3)____	
No___			
Yes___			(49)_____
6. Independent auditor's statement	____	(6)____	
No___			
Yes___			(50)_____
7. Additional information not noted above, especially helpful presentation, etc.	____		

_____

_____

TOTAL WEIGHT THIS SECTION - E: (24)_____

WEIGHTS FROM OTHER SECTIONS: - A: _____
- B: _____
- C: _____
- D: _____

WEIGHTING TOTAL _____

Coder Name_____ Date_____

Weighter Name_____ Date_____

ACCOUNTABILITY RATING FORM - Page 6.

CODE#_____

NAME_____

Additional sources of information (besides the Annual Report) from which the rating form was filled out:

_____

_____

_____

NOTE TO CODER: Page notations on the rating form, if not preceded by a letter, are from the annual report. Other materials are designated A.. B., etc. and page notations will read A____, B_____, etc. and will correspond to the list of materials above.